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SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 3, 2015

CERTIFIED RETURN RECEIPT
7013 3020 0002 3659 6429

Scott Bakken
Energy Fuels Resources (USA)
225 Union Blvd. Ste 600
Lakewood, Colorado 80228

Subject: Five-Year Review of Reclamation Surety, Energy Fuels Resources (USA), Daneros Mine, S/037/0121, San Juan County, Utah

Dear Mr. Bakken:

The last reclamation cost estimate for the Daneros mine was calculated in 2009 and escalated to 2014 dollars, so it is now due for re-evaluation. The amount of reclamation surety may be adjusted as the result of a periodic review taking into account inflation and deflation based on an acceptable cost index (R647-3-111.6). Unlike most small mines, the reclamation cost estimate for the Daneros mine was made using site-specific conditions.

Upon review of the information in our files and after a visit to verify site conditions, the Division of Oil, Gas and Mining finds that it is not necessary to make adjustments for changes in the mine operations.

The Division has developed worksheets to assist both the Division and mine operators to calculate the reclamation cost using standard unit costs. These are available on the Division's web site at http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_worksheets.html. Please complete these forms and return a copy to the Division for review. The basis for the costs needs to be an industry standard source, such as R.S. Means or similar cost estimating data. Once the forms have been reviewed, the Division will ask that you adjust the amount of surety to reflect the current reclamation cost estimate. **Please submit the reclamation cost estimate as an amendment to the Notice of Intention to Commence Small Mining Operations by December 7, 2015.**

1594 West North Temple, Suite 1210, Salt Lake City, UT 84116
PO Box 145801, Salt Lake City, UT 84114-5801
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UTAH DNR OIL, GAS & MINING

Thank you for your help in keeping the surety current. Please contact Wayne Western at 801-538-5263 if you have questions concerning the spreadsheets or Mike Bradley at 801-538-5332 if you other questions concerning this requirement.

Sincerely,

Paul B. Baker
Mining Program Manager

PBB:mpb:pb
Cc: Ted McDougall, Monticello BLM (tmcdouga@blm.gov)
Opie Abeyta, BLM SO (oabeyta@blm.gov)
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