

**MINIMAL IMPACT EXPLORATION
PERMIT APPLICATION**

**WESTERN ENERGY DEVELOPMENT CORP.
TREELINE EXPLORATION PROJECT
MCKINLEY AND CIBOLA COUNTIES, NEW MEXICO**

January 2007

Submitted by

Western Energy Development Corp.
6195 Ridgeview Court
Suite F
Reno, Nevada 89519

Submitted to

New Mexico Energy, Minerals and Natural Resource Department
Mining and Minerals Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

REV.DATE: 1/15/07

FOR MMD USE ONLY:

PROJECT NAME

PERMIT #

DATE RECEIVED: ___ / ___ / ___

DATE APPROVED: ___ / ___ / ___

LEAD INSPECTOR:

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

Director

Mining and Minerals Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3400

**SUBPART 3
MINIMAL IMPACT EXPLORATION
PERMIT APPLICATION**

The following information is required under the New Mexico Mining Act (Sections 69-36-1 through 69-36-20, NMSA 1978) and associated rules. The Mining and Minerals Division of the Energy, Minerals and Natural Resources Department is the administrative agency through which this application is to be processed. See §302, Minimal Impact Exploration Operations, of the New Mexico Mining Act Rules for all regulations associated with Minimal Impact Exploration Operations.

The applicant may use this application. If additional space is needed, all information requested in this form must be submitted in this same format.

- ☞ Please submit six copies of the application.
- ☞ Confidential information shall be **clearly** identified and submitted separately.

Permit Application Requirements: (§302.A - C)

To be considered a minimal impact exploration operation, the following requirements apply:

- A minimal impact exploration operation will **not** exceed **1000 cubic yards** of excavation, excluding drill hole materials, per permit.
- Disturbances for constructed roads, drill pads and mud pits shall be **no more than 5 acres total**.
- Exploration commencing after 12/31/94 shall submit an application not less than 45 days prior to the anticipated date of operations.
- Renewal applications shall be filed at least 30 days preceding expiration of the current permit.

- ✓ Check the "YES" or "NO" box for each of the following characteristics as related to the proposed minimal impact exploration operation:

YES **NO**

- | | | |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Located in or having a direct surface impact on wetlands, springs, perennial or intermittent streams, lakes, rivers, reservoirs or riparian areas. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Located in designated critical habitat areas as determined in accordance with the federal Endangered Species Act of 1973 or in areas determined by the Department of Game and Fish likely to result in an adverse impact on an endangered species designated in accordance with the Wildlife Conservation Act, Sections 17-2-37 through 17-2-46 NMSA 1978 or by the State Forestry Division for the Endangered Plants Act, section 75-6-1 NMSA 1978. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Located in an area designated as Federal Wilderness Area, Wilderness Study Area, Area of Critical Environmental Concern, or an area within the National Wild and Scenic River System. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Located in a known cemetery or other burial ground. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Located in an area with cultural resources listed on either the National Register of Historic Places or the State Register of Cultural Properties. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Having or expected to have a direct impact on ground water that has a total dissolved solids concentration of less than 10,000 mg/L, except exploratory drilling intersecting ground water may be performed as a minimal impact operation. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Expected to use or using cyanide, mercury amalgam, heap leaching or dump leaching in its operations. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Expected to result in point or non-point source surface or subsurface releases of acid or other toxic substances from the permit area. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Requiring a variance from any part of these Rules as part of the permit application. |

IMPORTANT NOTES!!

If the operation **exceeds 1000 cubic yards** of excavation or disturbs **more than 5 acres total** or any of the above boxes have been checked "YES", then the exploration does not qualify as a minimal impact exploration operation.

If you do meet the above requirements and have checked "NO" to all of the above boxes, continue filling out this application.

Obtaining a Mining Act permit does not necessarily satisfy the obligation to obtain other federal, state and local permits.

▶ PLEASE FILL IN ALL APPLICABLE INFORMATION AS COMPLETELY AS POSSIBLE. ▶ PLEASE PRINT OR TYPE ALL INFORMATION.

1. OPERATOR INFORMATION (§304.D.1)

LIST PROJECT NAME: Treeline
NAME OF APPLICANT: Western Energy Development Corp. (WEDC) ADDRESS: 6195 Ridgeview Court Suite F Reno, Nevada 89519 PHONE #: (775) 827-3311 NAME OF OWNER (if different from applicant's name and address): ADDRESS: PHONE #:
NAME OF ON-SITE CONTACT OR OPERATOR'S REPRESENTATIVE: Nancy Wolverson ADDRESS: 6195 Ridgeview Court Suite F Reno, Nevada 89519 PHONE #: (775) 827-3311

2. RIGHT TO ENTER INFORMATION (§302.D.1)

- A. Describe or attach copies of documents that give the applicant the right to enter the property to conduct the exploration and reclamation.

WEDC owns the following lode claims on National Forest System lands: U3O8-1 through U3O8-106 (BLM NMMC Nos. 171402 through 171507), U3O8-107 through U3O8-169 (BLM NMMC Nos. 171957 through 172019).

- B. List the names and addresses of surface and mineral ownership within the proposed permit area.

1. Surface Owner(s):

<u>Name</u>	<u>Address</u>	<u>Phone #</u>
United States Forest Service		
(for access area only)		
Doris and Ken Schmitt	4080 San Mateo Road Grants, New Mexico 87020	(505) 285-3344

2. Mineral Owner(s):

<u>Name</u>	<u>Address</u>	<u>Phone #</u>
Western Energy Development Corp.	6195 Ridgeview Court Suite F Reno, Nevada 89519	(775) 827-3311

- B. If available, provide information on any Cultural Resource Survey that may have been performed on the site. The survey would have been provided to the landowner or land management agency. Please provide the following: author, title, date and report number.

None known.

3. MAPS AND LOCATION (§302.D.2)

- A. Provide a legal description of the proposed site (i.e. Township(s), Range(s) and Section(s) as well as GPS (UTM) coordinates.

The drilling project will take place on Section 25, Township 13 North, Range 9 West (T13N, R9W) and Section 30, T13N, R8W, New Mexico Prime Meridian. Access and road maintenance will be located on Section 24, T13N, R9W. See following page for UTM coordinates of the drill sites.

UTM coordinates for drill sites include:

	<u>Easting</u>	<u>Northing</u>
1	251417	3913107
2	251431	3913139
3	251453	3913161
4	251486	3913174
5	251523	3913173
6	251564	3913177
7	251784	3913077
8	251815	3913097
9	251842	3913125
10	251870	3913149
11	251903	3913164
12	251937	3913180
13	251970	3913197
14	252002	3913212
15	251652	3912866
16	251687	3912876
17	251718	3912896
18	251758	3912901
19	251797	3912903
20	251830	3912922
21	251866	3912933
22	251900	3912953
23	251935	3912971
24	251961	3913000
25	251975	3913036
26	252003	3913062
27	252036	3913081
28	252074	3913089
29	251836	3912604
30	251861	3912631
31	251886	3912659
32	251915	3912685
33	251938	3912712
34	251960	3912739
35	251985	3912769
36	252009	3912798
37	252060	3912834
38	252098	3912864
39	252135	3912870
40	252165	3912888
41	252199	3912908

42	252114	3912443
43	252135	3912464
44	252160	3912480
45	252184	3912493
46	252210	3912509
47	252234	3912523

B. Provide a map(s) of at least 1 inch = 2,000 feet (or appropriate for the size of disturbance) showing the areas of land to be disturbed by the proposed exploration and reclamation. If the area to be explored contains the following features, show them on the map(s):

1. **Boundary of the proposed permit area** on a topographic map and the proposed area of disturbance
2. Perennial, intermittent and ephemeral streams, springs, wetlands, riparian areas, lakes and reservoirs
3. Residences
4. Proposed and existing roads and other access routes
5. Pipelines and support facilities
6. Cemeteries, burial grounds and cultural resources.
7. Previously disturbed areas
8. Oil, gas, water wells and monitoring wells within the permit area
9. Areas and types of proposed disturbances that include the anticipated dimensions of each proposed disturbance
10. Identify the location of drill holes, shafts, pits, adits, trenches, ponds, stockpiles, wastes dumps, etc.

C. Provide detailed driving directions to the site.

The property is located 20 miles north of Grants, New Mexico. Access is via State Highway 605, which intersects Interstate 40 two miles west of Grants at Exit 79. The property is reached through the Schmitt Ranch.

4. **EXPLORATION DESCRIPTION (§§302.D.3 & 4)**

A. List the proposed exploration dates:

Begin: 05/01/07 End: 05/01/08
(One year in duration based on USFS approval date.)

B. List the mineral or minerals to be explored for: Uranium

C. Place an "X" in the blank for the proposed method of exploration:

Cuts Pits Trenches Shafts
 Tunnels/Adits/Declines
 Air drilling Fluid drilling Drilling & Blasting
 Other method (describe): Rotary drilling

D. List the following approximate proposed disturbance for each:

Drill pads: How Many? 47 Width (ft.) 20 Length (ft.) 40

Drill holes: How Many? 47 Depth (ft.) 1,500 Diameter (in.) 6

Other Disturbances 0.14 acres, please describe

New roads/improvements: WEDC will fix the drainage near the ranch. WEDC will repair road on the leased land near the United States Forest Service (USFS) boundary. The majority of improvements will consist of smoothing and removing boulders, It is estimated that a maximum of 500 feet of road approximately 12 feet wide (0.14 acre) will be disturbed as a result of the project.

Describe the approximate area/size of each type of disturbance for cuts, pits, mud pits, trenches, shafts, tunnels or other disturbances:

Mud pits will measure eight feet long, four feet wide, and five feet deep.

- E. Describe the typical equipment to be used for the exploration operations.

WEDC will utilize a truck mounted rotary rig, if available; otherwise, a truck mounted core rig will be utilized.

List for New road(s) the following:

Length (ft.) 670 Width (ft.) 12

Length (ft.) 0 Width (ft.)

List for extension or widening of existing road(s) the following:

Length (ft.) 500 Width (ft.) 12

Length (ft.) 0 Width (ft.)

- F. Describe any other disturbances to be created on the site (location and size).

Disturbance associated with drill sites = 0.90 acre.

Disturbance associated with new constructed roads = 0.19 acre.

Disturbance associated with overland travel = 0.30 acre.

Disturbance associated with repairing roads = 0.14 acre (Section 4D above).

TOTAL ACREAGE TO BE DISTURBED: 1.53 acres

5. CHEMICAL USE (§302.D.4)

A. List all chemicals proposed to be used by the exploration operation.

<u>Name</u>	<u>Use</u>
Sodium polyacrylate	Filtration
Sodium polyacrylamide	Viscosifier
Carboxylic acid salt	Phosphate free dispersant
Cotton seed	Hole stabilizer/sealer
Fresh water bentonite	Hole stabilizer/sealer
Mud lubricants	Lubricant
Drill detergent	Detergent
Quik Foam	Foaming agent
Quik Gel	Viscosifier
BaraDeFoam	Defoamer
EZ-Mud	Stabilizer

6. GROUND WATER INFORMATION (§302.D.5)

A. Provide an estimate of depth to ground water and the total dissolved solids (TDS) concentration. If no information on ground water is known place an "X" here:_____.

Depth to ground water (ft.) 100 TDS concentration (mg/L): Unknown.

B. What is the source of this information? 2006 drilling nearby.

C. Will dewatering activities be conducted: _____ Yes; X No.

If Yes, please describe: n/a.

7. RECLAMATION AND OPERATION PLAN (§302.D.6)

Reclamation of the disturbed area shall be initiated as soon as possible and shall be completed within two years following the completion or abandonment of the exploration operation, unless the disturbed area is included within a complete permit application for a new mining operation.

A. Describe in general how the operation will be operated to best prevent erosion and meet the requirements of reclamation. Include the removal and storage of excavated material and the construction of roads. Describe how these facilities will be protected from erosion. If applicable, describe dewatering activities, the location and construction of mud pits and drill pads and any other activities causing disturbance.

Drill fluids will be contained in mud pits.

- B. Describe in general how recontouring, topsoil or topdressing, and re-establishment of vegetation will be conducted. If no revegetation is planned, provide a justification as to why none is needed.

Mud pits will be backfilled and disturbed area will be reseeded.

- C. Where revegetation is to be conducted, describe the plant species to be used in the re-establishment of vegetation.

<u>Plant Name</u>	<u>Seeding Rate (lb/ac.)</u>
Alkali sacaton	0.2
Western wheatgrass	4.3
Galleta	2.2
Blue grama	0.6
Annual rye	8.0
Scarlet globe mallow	0.4
Blue fax	1.6

Approximate reclamation dates: Begin: 09/01/07 End: 05/01/08

- D. Describe how drill holes will be plugged. What plugging methods will be employed where groundwater is encountered (must comply with State Engineer Office's plugging requirements) versus holes where no groundwater is encountered (see attached guidelines).

Dry drill holes will be sealed with a cement grout plug for the upper ten feet. Any drill hole that encounters ground water of any quantity will be abandoned (sealed) in accordance with the New Mexico State Engineers water well standards that require the hole be sealed from the bottom up to the top with cement grout, concrete, bentonite, clean sand mixed with bentonite or cuttings from the drill hole; the upper ten feet of the wet drill holes will be sealed with a cement grout plug plus a one foot soil cover.

- E. Describe how the reclamation of portals, adits, shafts, ponds, roads or other disturbances will be performed.

Reclamation will be performed with a backhoe.

8. PERMIT FEES (§302.1.2)

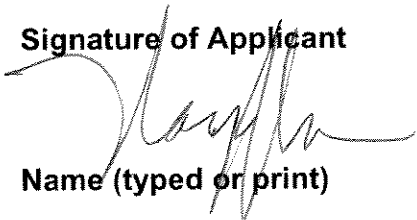
- A. Attach the permit fees as determined pursuant to Subpart 2. The application fee for a minimal impact exploration permit is \$100.00.

9. CERTIFICATION REQUIREMENT (§§302.1.3 & 4)

Each application shall be signed by an applicant or authorized agent of the applicant for the operation with the following certification made (**Certification does not require notarization**):

I certify that I have personally examined and am familiar with the information submitted herein, and based on my inquiry of those individuals responsible for obtaining the information, I believe the submitted information is true, accurate, and complete. I agree to comply with the reclamation requirements set forth in this permit application and related correspondence, the New Mexico Mining Act and the Rules. Further, I certify that I am not in violation of any other obligation under the New Mexico Mining Act or the Rules adopted pursuant to that Act and I allow the Director to enter the permit area, without delay, for the purposes of conducting inspections during exploration and reclamation.

Signature of Applicant



Name (typed or print)

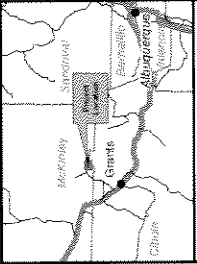
Nancy Wolverson

Title/Position

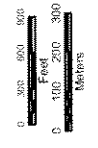
Vice President, Development

Date

1/17/07

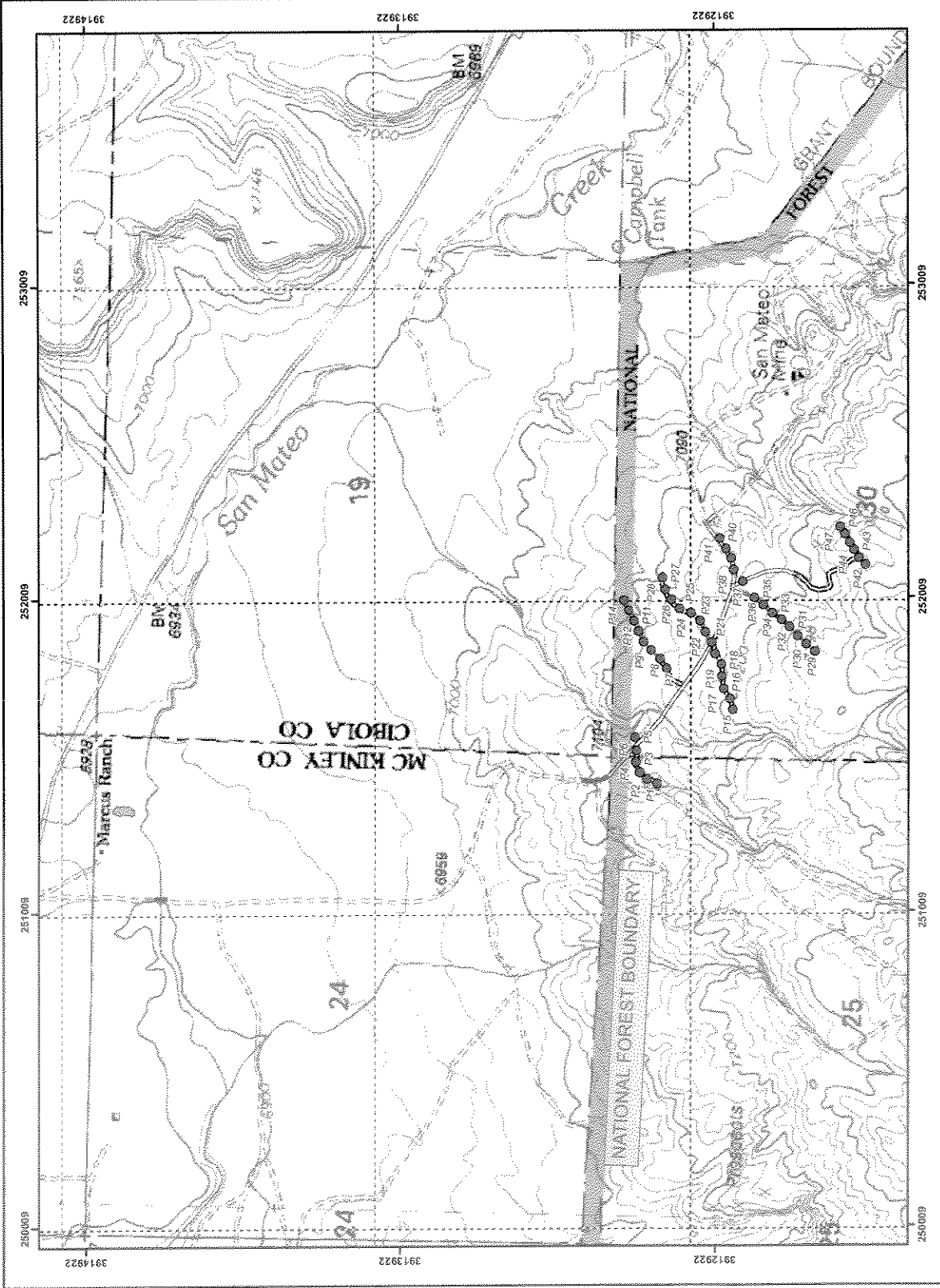


- EXPLANATION**
- Proposed Drill Site
 - Proposed Overland Route
 - Proposed New Road
 - Access Road to be Improved
 - Old Drill Road
 - Existing Road



1 inch equals 1,000 feet
 UTM Zone 13, NAD 27

WESTERN ENERGY DEV CORP
 TREELINE PROJECT



ESRI/DELRIMON LINE