



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab Field Office
82 East Dogwood
Moab, Utah 84532



3809
UTU87613
(UTY012)

Certified Mail – Return Receipt Requested
Certified No. 7006 0100 0001 5606 5863

SEP 15 2009

Ms. Christy Woodward
Denison Mines (USA) Corporation
1050 17th Street, Suite 950
Denver, Colorado 80265

RE: Notice Acceptance for Pandora Claims Exploration Project, UTU87613

Dear Ms. Woodward:

On August 4, 2009, the BLM received Denison Mines (USA) Corporation's Notice of Intent to conduct exploration under the Pandora Claims Exploration Project located in Sections 5 and 6, Township 29 South, Range 25 East in San Juan County, Utah. We have assigned this project to Case File Number UTU87613. Please include this number in all correspondence regarding this project.

Completeness Review and Unnecessary and Undue Degradation (UUD) Determination

Your Notice is considered to be complete and contains the information required by the Bureau of Land Management (BLM) surface management regulations at 43 CFR 3809.301. Your Notice proposes to drill fourteen holes on BLM land and sixteen holes on United States Forest Service (USFS) land. This acceptance involves only the holes located on lands administered by the BLM. Each of the holes are proposed to be drilled to a depth ranging from 400 to 600 feet. The Notice also proposes the construction of drill pads that will be 30 feet x 40 feet in size and the construction of 4,714 feet long by 15 feet wide new road to access the drill holes. Containment pits may be excavated at each drilling location to capture water if encountered during drilling. Total proposed surface disturbance on BLM is 2.39 acres. The proposed drilling operation was reviewed by various resource specialists who have determined the operation, as proposed, will not cause unnecessary or undue degradation (UUD) as defined under 43 CFR 3809.5.

The BLM's determination that your Notice filing is complete and its determination that your proposed operations will not cause UUD does not relieve you, the operator, of your responsibility to be in compliance with all applicable Federal, State and local laws and regulations, and to obtain all applicable Federal, State and local authorizations and permits. You must reclaim all lands disturbed by your operations and take all measures needed to prevent UUD. This requires that you meet the performance standards

specified by regulations at 43 CFR Subpart 3809.420, and includes the best management practices included in the Notice.

BLM's determination does not constitute: certification of ownership to any entity named in the Notice; recognition of the validity of any associated mining claims; or recognition of the economic feasibility of the proposed operations.

To prevent unnecessary and undue degradation as defined in 43 CFR 3809.5, the following measures shall apply to your operations:

Financial Guarantee: As required by regulations at 43 CFR 3809.500, a financial guarantee (surety) sufficient to cover the cost of reclamation is required before operations can begin. The BLM coordinated with the Utah Division of Oil, Gas and Mining (UDOGM) to calculate your financial surety for the entire thirty hole project. You may not begin operations until the financial surety amount of \$25,700 has been signed and accepted by UDOGM and forwarded to the BLM.

Term of Notice: Your Notice will remain in effect with the BLM for two years from the date of approval of the reclamation surety, unless you notify this office beforehand that operations have ceased and reclamation is complete. If you wish to conduct operations for another two years after the expiration date of your Notice, you must notify this office in writing on or before the expiration date as required by 43 CFR 3809.333.

BLM Notification: The operator will contact Marie McGann at (435) 259-2135, 48 hours before surface-disturbing activities are initiated, and 48 hours prior to beginning site reclamation.

Cultural and Paleontological Resources: Class III cultural resource inventories were conducted for this project area located in San Juan County, Utah prior to the on-the-ground exploration phase (MbFO Inventory No. U-09-ST-0562b) by SWCA. A block survey was conducted to complete the Class III Cultural Resource inventory following the Archeology and Historic Preservation, Secretary of the Interior's Standards and Guidelines (48CFR190) for the project. No sites were recorded.

In the event previously unidentified archaeological materials are identified within the project area the BLM Moab Field Office must be notified immediately to examine the materials and make an assessment.

Per BLM Regulation 43 CFR 3809.420(8)(i) operators shall not knowingly disturb, alter, injure or destroy any scientifically important paleontological, historic or archaeological remains on Federal lands.

- (i) Operators shall immediately bring to the attention of the authorized officer any cultural and/or paleontological resources that might be altered or destroyed on Federal lands by his/her operations, and shall leave such discovery intact until told to proceed by the authorized officer. The authorized officer shall evaluate the discoveries brought to his/her attention, take action to protect or remove the resource, and allow operations to proceed within 10 working days after notification to the authorized officer of such discovery.

- (ii) The Federal Government shall have the responsibility and bear the cost of the investigation and salvage of cultural and paleontological values discovered after a plan of operations has been approved, or where a plan is not involved.

The operator or its contractor is responsible for informing all persons who are associated with the project operations that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. No artifacts, ancient or historical, may be collected on public lands. This includes, but is not limited to, arrowheads, old bottles or pieces of mining equipment.

Wildlife Timing Limitations: The project area is located within deer and elk winter range. To minimize stress and disturbance to deer and elk during winter months drilling activities may not occur from November 15 to April 15.

The project area is also located in known raptor habitat. To protect raptor habitat no surface disturbance or occupancy may be conducted during the breeding and nesting season of March 1 to August 1 within spatial buffers of 0.5 mile of known nesting sites. An exception may be granted if protocol surveys determine that nesting sites, breeding territories and winter roosting areas are not occupied.

Weeds: All equipment shall be clean, and weed and weed-seed free prior to moving the equipment into the project area.

Trash: Trash shall be contained at all times and removed to an authorized sanitary landfill. No oil or other petroleum products shall be drained on the ground or vegetation. Burning of trash or waste is not allowed.

Surface Disturbance: Surface disturbance shall be kept to a minimum and limited to that which is necessary to complete the drilling.

Containment Pits: Drilling fluid shall be contained in small pits. Containment pits must be dry or of have little standing water before they are backfilled. If fluids remain in pits at completion of drilling and cannot be backfilled, the pits must be fenced off to keep all animals out.

Muddy Conditions: During wet weather conditions, no mud blading will be allowed. When road conditions are such that vehicles create ruts deeper than 4 inches, drilling and vehicle activities will be temporarily suspended.

Plugging: Follow Utah Administrative Code R647-2-108 for exploration drilling and plugging of holes. These can be found by contacting Paul Baker (801-538-5261) or Tom Munson (801-538-5321) of the Utah Division of Oil, Gas and Mining. They can also be found online at: <http://www.rules.utah.gov/publicat/code/r647/r647-002.htm>

Reclamation: All disturbed surfaces shall be recontoured to blend with the adjacent terrain, and seeded. The disturbed ground shall be scarified and left in a roughened condition to allow for pockets of moisture to collect which will help the seed become established. We recommend seeding take place between October 1 and December 1 to take advantage of the higher soil moistures.

Seed Mix: The following seed mixture shall be used at a rate of 5.0 pounds per acre pure live seed, and certified weed free. If the seed is broadcast, a harrow or other such implement shall be dragged over the seedbed to ensure coverage. Seed tags should be given to the Authorized Officer.

| Plant Common Name | Plant Scientific Name | Pounds per Acre* |
|---|-----------------------------|------------------|
| Grasses | | |
| Indian Ricegrass | <i>Oryzopsis hymenoides</i> | 5.0 |
| Blue Grama grass | <i>Bouteloua gracilis</i> | 5.0 |
| Thickspike Wheatgrass | <i>Elymus lanceolatus</i> | 5.0 |
| | | |
| Total (PLS - pure live seed) | | 15.0 |

Abandonment Report: A copy of the abandonment report containing the following information shall be submitted to the BLM within 30 days following completion of the drilling. Submitting a copy of the State form is adequate documentation.

- a. Describe and illustrate the method by which each drill hole was plugged and conditioned for final abandonment.
- b. The status of reclamation of each drill site.
- c. Drill hole location map on appropriate scale showing as-drilled GPS Hole locations and drill hole ID number.

Other Permits: The operator shall comply with all legal Federal, State, and County resolutions, regulations, and permit requirements and may not begin operations until all other permits are in place.

If you have any questions or need more information please contact Marie McGann at (435) 259-2135.

Sincerely,

/s/ A. Lynn Jackson

Assistant Field Manager
Division of Resources

cc. Tom Munson, UDOGM
Opie Abeyta, BLM UT923

MMcGann:mm:9/14/09 (Denison.87613.30holes)