

April 2, 2013

Mr. Jim Hughes
Chairman
Custer County Conservation District
447 Crook Street
Custer, SD 57730

RECEIVED
APR 05 2013
MINERALS & MINING PROGRAM

**Re: Responses to Technical Review Comments
Dewey-Burdock Project Large Scale Mine Permit Application**

Dear Mr. Hughes:

On behalf of Powertech (USA) Inc., please find enclosed responses to comments issued by the Custer County Conservation District regarding the proposed Dewey-Burdock Project large scale mine (LSM) permit application. These responses also are found in the enclosed letter containing responses to comments from DENR, GFP, and the Department of Agriculture. Please note that several of the Custer County Conservation District comment responses refer to the response to comment #9. That comment response is found on pages 15-25 of the enclosed comment response letter.

Custer County Conservation District Comments

CCCD-1. Land Reclamation Plan: What is the timing and methodology for reclaiming all exploration drill holes? What species will be planted and what will the soil material be?

Response: Well field reclamation will be carried out in an ongoing process concurrently with ISR operations. Section 6.5 in the LSM permit application describes the reclamation timetable and shows that each well field will be reclaimed following uranium recovery operations. During exploration and delineation drilling, each hole will be plugged according to South Dakota standards before the drilling rig leaves each location. Following construction of the processing facilities, pipelines, and each well field, interim reclamation using the approved seed mixture will be used to temporarily stabilize areas to be disturbed again (see Section 6.4.2). Groundwater will be restored following uranium recovery in each well field. Following regulatory approval of successful groundwater restoration and stability monitoring, wells will be plugged and abandoned, well field pipelines and header houses will be removed, and surface disturbance areas will be reclaimed with the approved reclamation seed mixture.

The postmining land use for the vast majority of disturbed areas will be rangeland. Disturbed areas designated to be reclaimed to rangeland will be reseeded with a permanent seed mixture (see Table 6.4-1). This seed mixture was recommended by the local NRCS office (see Appendix 6.4-B) and approved by all surface owners within the proposed permit area (see Appendix 6.4-A). The reclamation seed mixture will contain western wheatgrass, sideoats gramma, slender wheatgrass, green needlegrass, and little bluestem. Only a small area of

cropland is planned to be disturbed. Disturbed cropland will be planted with alfalfa during reclamation. Refer to the following comment response for a description of topsoil handling.

What is the timing and species being used to stabilize the topsoil piles? Also, what is the quantity of soil in each of the stockpiles?

Response: Topsoil stockpiles will be stabilized by seeding with the approved reclamation seed mixture during the first normal period of favorable planting conditions (see Section 6.4.3.4 of the LSM permit application). The estimated topsoil stockpile volumes for the processing facilities and ponds are 100,000 to 200,000 cubic yards in the Burdock area and 50,000 to 100,000 cubic yards in the Dewey area. Additional topsoil stripped during access road and well field construction will be stockpiled near the access roads and well fields. See Section 5.3.7 in the LSM permit application for further details.

Will all locations be reseeded with the single seed mix, regardless of post mining soil analysis?

Response: A single seed mixture will be used for all interim and final reclamation, except that a small area of cropland disturbance will be restored to alfalfa cropland (see Section 6.4.3.4 of the LSM permit application).

The soil analyses indicate areas of high pH, high conductivity, and SAR values that indicate potential problems. Will these soils be identified during the topsoil stripping process?

Response: Section 6.4.3.2 in the LSM permit application describes how Powertech will analyze topsoil prior to stripping in the processing areas and first well fields to determine whether fertilizer or other amendments will be required to establish and sustain vegetative growth during reclamation. See also Section 6.4.3.4 for a discussion of areas with low vegetative cover densities that likely will have low revegetation potential if disturbed. These include the Darrow Mine surface pits/spoil piles and the "alkali area," which is an isolated area of groundwater discharge to the surface potentially as result of historical exploration drilling. In only very limited areas, which are anticipated to include the historical mine pits and the alkali area (in addition to the processing areas and first well fields discussed previously), Powertech will sample the topsoil and subsoil prior to disturbance. If the evaluation demonstrates that its chemical or physical characteristics would seriously inhibit plant growth and that it is not feasible to remedy by chemical treatment, overburden replacement, or like measures, Powertech will request that the revegetation performance criteria not apply for these limited areas as allowed by SDCL 45-6B-46(2). In all other areas, revegetation will be required to meet the reclamation performance criteria in Appendix 6.4-D. For rangeland, Powertech will be required to demonstrate that reclamation performance criteria are met for vegetative cover, usable forage production, species composition, and sustainability of reclamation to DENR's satisfaction prior to final bond release.

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CCCD-2. Land Application Plan: *We note that much of the surface water analysis shows high salt content indicating the surrounding soils also are saline.*

Response: The response to comment #9 addresses the baseline salinity levels in the land application area soils and mitigation of potential salinity impacts. It describes how the top 1 to 3 feet of the soils typically are non-saline, while deeper soils have considerably higher salinity levels. The salinity levels will be managed in the land application areas by leaching. This may include applying land application water at a greater rate than the crop requirement or applying fresh water from the Madison in conjunction with land applied water. Leaching may be enhanced by applying excess water during the cool season, tillage (including deep tillage), and applying water intermittently. Please note that discharge to surface water from land application systems will not occur. Catchment areas will be constructed downgradient of land application areas to capture runoff up to a 100-year, 24-hour storm event.

Water from the deep wells also indicates properties that would make reclamation more difficult.

Response: The response to comment #9 addresses the anticipated range of salinity in the land application water. Salinity will be managed during land application by adjusting the leaching rate and leaching with fresh water from the Madison as needed in order to ensure that land application areas can be reclaimed.

The areas on the Land Application Exhibits showing where the excess water will be applied has soils that are thin and on the heavy texture side of the triangle.

Response: The LSM permit application (Section 5.4.1.1.2) describes how the soil hydraulic properties in the land application areas will help prevent the migration of water into the alluvial groundwater. Soil sampled from test pits in and around the land application areas predominantly contain clay and silt, with lesser amounts of sand and virtually no gravel to depths of 7 to 10 feet. The hydraulic modeling simulations used to size the land application systems considered permeability measurements from soil samples collected in the land application areas. These simulations predict that the land applied water will not percolate deeper than 8 feet. An important factor in limiting deep percolation will be applying land application water at an agronomic rate of about 19 inches per year. As described in the response to comment #9, the land application system operations will be balanced to limit deep percolation to groundwater while also leaching salts from the top 1 to 3 feet to maintain root zone salinity levels conducive to reclamation.

We are concerned that there will be a buildup of salts in the soil profile which would make revegetation unsuccessful.

Response: Please refer the response to comment #9 and the above comment responses for a description of mitigation measures to control salinity levels in land application soils.

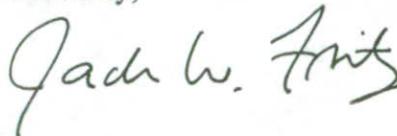
If indicated through analysis, will more appropriate species and soil amendments be applied to help ensure long term land use?

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Response: Section 6.4.3.4 in the LSM permit application describes how areas seeded with the reclamation seed mixture will not be treated with any type of soil amendment or irrigated to improve reclamation success unless required in the land application areas. Section 6.4.4 describes revegetation of land application areas. The revegetation technique will depend on the vegetation grown in the land application areas. If native vegetation is irrigated and the species composition of the native vegetation does not change significantly during irrigation, then reseeding is not anticipated to be necessary to meet the reclamation performance criteria. However, if the species composition significantly changes during the course of land application or if crops such as alfalfa or wheatgrass are planted in the land application areas, Powertech will revegetate land application areas using the permanent reclamation seed mixture described previously, prepare a revegetation plan approved by appropriate agencies, or demonstrate that that after land application ceases a permanent, self-perpetuating ground cover at least equal in character and extent to the original will remain.

We hope that these responses adequately address the concerns of the Custer County Conservation District. We would welcome the opportunity to meet with the Conservation District to discuss these responses and answer any additional questions about the proposed project. Please direct any questions regarding these comment responses to John Mays at (303) 790-7528 or Jack Fritz at (307) 672-0761.

Sincerely,



Jack Fritz, P.E.
WWC Project Manager

cc: Mike Cepak, DENR (w/o enclosure)
John Mays, Powertech (w/o enclosure)

Encl: April 1, 2013 Technical Comment Responses, Dewey-Burdock Project (w/ CD)

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