



DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES

PMB 2020  
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[www.state.sd.us/denr](http://www.state.sd.us/denr)

September 8, 2008

Richard E. Blubaugh  
Vice President – Environmental Health and Safety Resources  
Powertech (USA) Inc.  
5575 DTC Parkway Suite #140  
Greenwood Village, CO 80111

Re: Uranium Exploration Permit Application – 30-Hole Project

Dear Mr. Blubaugh:

The department has completed its review of Powertech (USA), Inc.'s uranium exploration permit application (30-hole project) submitted July 7, 2008 and supplemental information submitted on August 29, 2008. Based on our review, we have found that the application is procedurally incomplete. Powertech will need to address the following items to complete the application:

1. SDCL 45-6D-7(8): The supplemental information did not include a modified minerals claim map to show the locations of the Kim claims. Please submit this map to our office.

There were also some inconsistencies with information provided within the supplemental information and the most recent (as of September 3, 2008) BLM Mining Claim Report. The first inconsistency involves the MD claims. In the letter, Powertech states the Kim claims have replaced the MD claims. However, the BLM report indicates the MD claims are still active. The second inconsistency involves the location of the Kim #4 claim. The Lode Claim Certificate provided indicates that this claim is located only in NW1/4 Section 32; T6S-R1E. The BLM report indicates that this claim is also located in SW1/4 Section 29; T6S-R1E. Please verify the status of the MD claims and the location of the Kim #4 claim.

2. SDCL 45-6D-10: The topographic maps included with the August 29, 2008 supplemental information are of the appropriate scale. Although the topographic maps are of an adequate scale, Powertech did not show well locations on the maps as required by this statute. Please show the location of private and public water wells, and all known natural springs, lakes, ponds, reservoirs, water pipelines,

earthen dams, buildings, and proposed or existing roads on the maps. Please provide a legend on the maps identifying these features.

The exploration area box for Section 32; T6S-R1E should be in the NW1/4 of the section. However, the map for this area shows the box extending into the NE1/4 Section 32 and the SW1/4 and SE1/4 Section 29. Powertech will need to redraw the box on the map so it fits in the NW1/4 Section 32 or the legal location will need to be changed to include NE1/4 Section 32 and the SW1/4 and SE1/4 Section 29.

Also, the exploration area box for Section 2; T7S-R1E should be in the SW1/4 of the section. However, the map for this area shows the box extending into the SE1/4 Section 2. Powertech will need to redraw the box on the map so it fits in the SW1/4 Section 2 or the legal location will need to be changed to include SE1/4 Section 2.

3. SDCL 45-6D-11: In the application cover letter, Powertech said it would wait until notification by the department that the application is complete before filing the application with the Custer and Fall River County Register of Deeds offices. The department understands and accepts this plan, however, please be aware that the submission of the application to the Register of Deeds Office is a procedural completeness item, and that the application cannot be considered complete by the department until proof of filing from the county Register of Deeds is submitted.
4. SDCL 45-6D-16: In the August 29 supplemental information, it was noted that the green certified mail return receipt from GCC Dacotah was not signed and had no date of delivery. Please provide a signed copy of this receipt with the date of delivery. Also, in accordance with SDCL 45-6D-16, a notarized affidavit is required to be submitted if no written comments are received from the surface owners. Please submit either a signed affidavit and/or any landowner comments to our office.
5. SDCL 45-6D-29: Please address each section listed under SDCL 45-6D-29(1) through 45-6D-29(5) that the Board of Minerals and Environment is required to consider in determining whether to grant a uranium exploration permit. If you remember, these items were brought up by the Defenders of the Black Hills during the hearing on EXNI-404.

As part of its review, the department staff also developed the following technical comments regarding the application. Please address the following items:

1. The average depth of the drill holes are indicated to be approximately 500 feet within the permit application. However, during the August 26, 2008 field inspection of the site, Powertech said the drill hole depth would be at least 600 feet. Please verify the depth of the drill holes for the exploration project.

The department will continue its review of the application and any additional comments will be forwarded to you. If you have any questions, please feel free to contact the Minerals and Mining Program (telephone: (605) 773-4201).

Sincerely,

A handwritten signature in black ink, reading "Roberta Fivecoate". The signature is written in a cursive style with a large, sweeping initial "R".

Roberta Fivecoate  
Natural Resources Project Engineer  
Minerals and Mining Program  
Telephone: (605) 773-4201