

**DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

NOTICE OF VIOLATION

IN THE MATTER OF THE NOTICE OF)	
VIOLATION ISSUED TO)	
ATTN: MRS. DONNA WICHERS)	DOCKET NO. 4831-11
URANIUM ONE USA, INC.)	
907 NORTH POPLAR STREET, SUITE 260)	
CASPER, WYOMING 82601)	
PERMIT 478)	

NOTICE

NOTICE IS HEREBY GIVEN THAT:

1. Notice of Violation (NOV) is being sent to you pursuant to Wyoming Statute §35-11-701(c)(i) which requires that a written notice shall be issued in the case of failure to correct or remedy an alleged violation.
2. Uranium One USA, Inc. (Uranium One) is the operator of an in situ uranium mine located in Campbell and Johnson Counties, Wyoming, in Section 9, Township 44 North, Range 60 West. As part of its operation, Uranium One has mined mineral from this site and distributed or sold the mined mineral for commercial use.
3. Wyoming Statute § 35-11-415(b)(ii) states the operator, pursuant to an approved surface mining permit and mining plan and reclamation plan, or any approved revision thereto, shall conduct all surface mining and reclamation activities within the permit area in conformity with his approved plan.
4. Land Quality Division Non-Coal Rules and Regulations Chapter 11, Sections 14(a)(iii)(A) and (B) require semi-monthly monitoring of the fluid levels and chosen water quality parameters in the monitoring wells.
5. Table 5.25, Page 5-77 of the Permit No. 478 Mine Plan, commits Uranium One to monitor ore zone perimeter, Upper Aquifer and Lower Aquifer wells twice monthly.
6. In a telephone call on April 12, 2011, Larry Arbogast of Uranium One informed Glenn Mooney that Uranium One had found that a number of monitor wells in the recently started Well Field Unit 7 at the Christensen Ranch portion of the Permit No. 478 permit area had not been sampled as per requirements of the approved mining permit and the Rules and Regulations. Mr. Arbogast requested a meeting with District III staff to discuss the omitted sampling.

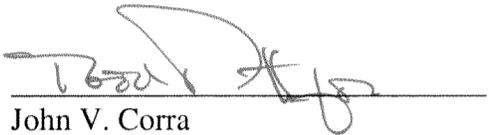
A meeting was held in the Sheridan Department of Environmental Quality Offices on the morning of April 15, 2011. Present in the meeting were Larry Arbogast and Jon Winters of Uranium One and Mark Rogaczewski and Glenn Mooney representing the Land Quality Division.

The Uranium One representatives presented information showing that of 66 wells requiring sampling in Mine Unit 7, sampling had been missed at least once in 24 wells for a total of 82 missed sampling events. Since the well field began operations, each well should have been sampled seven (7) times over a period of 14 weeks, sampling being required on a biweekly basis. Five (5) wells were never sampled while seven (7) had only one sampling event missed.

7. Wyoming Statute §35-11-901(a) provides that any person who violates any provision of the Environmental Quality Act or any rule, standard, permit, license or variance adopted hereunder is liable to a penalty of ten thousand dollars (\$10,000.00) for each day of violation, which penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming.

NOTHING IN THE NOTICE shall be interpreted to in any way limit or contravene any other remedy available under the Environmental Quality Act, nor shall this NOV be interpreted as being a condition precedent to any other enforcement action.

SIGNED this 21st day of April, 2011



John V. Corra
Director
Department of Environmental Quality



Alan Edwards
Acting Administrator
Land Quality Division

Please direct all inquiries regarding this Notice of Violation to Mr. Mark Rogaczewski, District III Supervisor, Wyoming Department of Environmental Quality/Land Quality Division, 2100 West Fifth Street, Sheridan, WY, 82801

Permit No. 478

cc: Mark Rogaczewski, LQD DIII
File: Permit 478