

**WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY  
LAND QUALITY DIVISION**

**SETTLEMENT AGREEMENT**

The Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD) and Uranium One, USA, a company authorized to do business in Wyoming, enter into this Settlement Agreement to fully and finally resolve without litigation the violation alleged in **Notice of Violation (NOV) Docket Number 4831-11, signed on April 21, 2011**. The site of these violations is located in Section 4, T. 44N., R. 76W. Campbell County, Wyoming .

W.S. §35-11-901(a)(ii) authorizes the WDEQ to negotiate a stipulated settlement, including payment of a penalty, in lieu of litigation. To that end, Uranium One, USA, (Uranium One) and the WDEQ/LQD hereby stipulate and agree as follows:

1. The WDEQ, pursuant to W.S. §35-11-104, is a department in the executive branch of the state government of Wyoming and is principally situated in Cheyenne, Wyoming. DEQ is the agency with the responsibility for administering the Wyoming Environmental Quality Act including all provisions of the WDEQ/LQD Rules & Regulations.
2. Uranium One is the approved applicant and operator of an in situ uranium mining operation located in Campbell and Johnson Counties, Wyoming. Permit 478 was issued to a predecessor of Uranium One on August 18, 1978. As part of its operation, Uranium One mines uranium from this site and sells the produced uranium for commercial use.
3. Failing to perform the required groundwater monitoring is a violation of Wyoming Statute §35-11-415(b)(ii) which requires the operator to conduct all surface mining and reclamation activities within the permit area in conformity with his approved plan and a violation of Land Quality NonCoal Rules and Regulations, Chapter 11, Section 14(a)(iii)(A) and (B).
4. Uranium One agrees to pay a total penalty of Twenty-five Thousand Dollars (\$25,000.00), for the violation stated in Item 3. above, as a partial settlement for the resolution to this matter in lieu of litigation under W.S. §35-11-901(a)(ii). Uranium One shall pay \$25,000.00 directly to the WDEQ/LQD. Payment is due and payable within thirty (30) days of full execution of this Settlement Agreement. Payment to WDEQ/LQD shall be by check made payable to the Wyoming Department of Environmental Quality/Land Quality Division and shall be sent to: **Alan Edwards, Acting Administrator, Wyoming Department of Environmental Quality, Land Quality Division, Herschler Building, 3 Floor-West, 122 West 25<sup>th</sup> Street, Cheyenne, Wyoming 82002.**
5. Uranium One agrees to write a "white paper" detailing procedures for preventing violations of the type prompting this Notice of Violation, submitted to WDEQ/LQD by July 31, 2011, prior to distribution to the Wyoming Mining Association, Uranium Group.
6. Ten thousand (\$10,000.00) dollars of this penalty will be suspended if Uranium One satisfies the terms of the settlement agreement.
7. This signed Settlement Agreement and payment by Uranium One as specified above shall constitute full satisfaction for and resolution of all claims by the WDEQ/LQD against Uranium One, based on the violations alleged in Notice of Violation Docket No. 4831-11. Contingent upon Uranium One, compliance with the terms of this Settlement Agreement, the WDEQ/LQD will refrain from taking further enforcement action against Uranium One, for these particular violations cited in this Settlement Agreement. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in NOV Docket No. 4831-11.
8. Uranium One waives any statute of limitations which may apply to an enforcement action by the WDEQ/LQD involving the specific matters described in Notice of Violation Docket No. 4831-11.

9. Nothing in this agreement precludes WDEQ/LQD from taking additional enforcement action, including the issuance of a Notice of Violation, Order and/or pursuing additional penalties, should Uranium One violate the Wyoming Environmental Quality Act or applicable rules and regulations in the future.
10. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
11. Notwithstanding any other language in this Settlement Agreement, the State of Wyoming and WDEQ do not waive sovereign immunity by entering into this Settlement Agreement with Uranium One and specifically retain all immunity and all defenses available as sovereigns under state and federal law.
12. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.
13. **This Settlement Agreement is binding upon Uranium One, its successors and assigns, and upon the WDEQ.**
14. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

**FOR: Uranium One, USA, Inc.,**

Signed: 

Date: May 18, 2011

Printed: DONNA L. WICKERS

Title: Sr. Vice President, Americas

**FOR: The Wyoming Department of Environmental Quality**

  
John V. Coffra, Director  
WDEQ

Date: 5/24/11

  
Alan Edwards, Acting Administrator  
WDEQ/Land Quality Division

Date: May 23, 2011

JVC/AE/MR

cc: Mark Rogaczewski, WDEQ/LQD, District III  
Docket Number 4831-11