



DRC-2011-001275

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January 21, 2011

VIA E-MAIL AND OVERNIGHT DELIVERY

Mr. Rusty Lundberg
Utah Department of Environmental Quality
195 North 1950 West
P.O. Box 144850
Salt Lake City, UT 84114-4850

Re: State of Utah Groundwater Discharge Permit ("GWDP") No. UGW370004
Transmittal of Revised Documents Addressing White Mesa Uranium Mill New Cell 4B and Response to Division of Radiation Control ("DRC") Draft Letter of January 21, 2011 Regarding Comprehensive Comments on Proposed Revised Plans

Dear Mr. Lundberg:

This letter transmits Denison Mines (USA) Corp's proposed revisions to the Tailings Management System Best Available Technology Operations and Maintenance ("BAT O&M") Plan for the White Mesa Mill which is currently pending DRC approval. This letter also responds to DRC's draft letter of January 21, 2011 requesting additional changes to previously submitted versions of this document. Per DRC's letter, we understand that the Contingency Plan will be addressed separately and changes will not be tied to approval for use of Cell 4B or the New Decontamination Pad.

Denison received DRC's October 11, 2010 letter requesting changes to previously submitted versions of the DMT Plan BAT O&M Plan, and Contingency Plan. To address those comments and other changes necessary for operation of Cell 4B, Denison submitted on November 12, 2010 redline and clean copy revisions of those documents, entitled DMT Plan Revision 11, BAT O&M Plan Revision 2.0 and Contingency Plan Revision 4.0. DRC reviewed those submittals and requested additional changes to the DMT and BAT O&M Plans in a letter of January 6, 2011. Denison accepted all the changes submitted on November 12, 2010 to create new black-line copies of the DMT and BAT O&M Plans, and prepared the additional changes in response to DRC's January 6, 2011 letter, as redlined markups, entitled DMT Plan 11.1 and BAT O&M Plan Revision 2.1, submitted on January 10, 2011. DRC provided contingent approval of the DMT Plan Revision 11.1, and provided three additional comments on the BAT O&M Plan Revision 2.1 in a draft letter to Denison dated January 21, 2011.

In response to the DRC draft letter of January 21, 2011, Denison has accepted all the changes that constituted BAT O&M Plan Revision 2.1 and prepared a redline version addressing the remaining three changes to the BAT O&M Plan, which is now entitled BAT O&M Plan Revision 2.2. This revision has been provided as Attachment 1 to this letter.

For ease of review, the revised BAT O&M Plan Revision 2.2 has also been provided as a clean black-line file version with all changes accepted. Denison requests that UDEQ review and approve the version attached to

this letter, which has addressed all changes submitted by Denison since September 2008, for which Denison is awaiting DRC approval.

We have also provided, below, specific responses to each request in UDEQ's January 21, 2011 draft letter. The sections and numbering of the remainder of this letter follow the DRC January 21, 2011 draft letter. Each UDEQ request is shown in italics, below, followed by Denison's response.

DEQ Comments and Responses

1. *On page 14, there is a proposed redlined phrase in the sentence beginning with, "Each pump is equipped with a pressure sensing transducer..." in redline it states, "for Cell 4A and 3 inches for Cell 4B)." The "3 inches" must be changed to "2-1/4 inches (0.19 feet)," or other acceptable measurement.*

Denison Response: *The change has been made as requested.*

2. *We earlier provided this request as comment VII of our January 6, 2011 letter, regarding freeboard calculations. DUSA has chosen to propose this O&M Plan, as if Cell 4B was approved for use.*
 - a. *Therefore, the section beginning on page 15, titled "Cell 4A Solution Freeboard Calculation," needs to be re-titled to "Solution Freeboard Calculations," (as this section provides freeboard calculations for Cell 1 and 4B) or another acceptable title.*

Denison Response: *The change has been made as requested.*

- b. *The last sentence of this section, on page 17 needs to delete the reference to Cell 4A.*

Denison Response: *The change has been made as requested.*

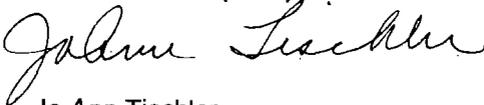
3. *On page 5, paragraph d.2, there is a proposed redline change. The 18-inch diameter (proposed to be deleted) is correct in accordance with the CQA Report record drawings; and must be retained. The redline change proposed, i.e. a 2-foot inside diameter pipe is incorrect, and should be removed.*

Denison Response: *The change has been made as requested.*

Please contact the undersigned if you have any questions or require any further information.

Yours very truly,

Denison Mines (USA) Corp.



Jo Ann Tischler
Director, Compliance and Permitting

cc: David C. Frydenlund
Harold R. Roberts
David E. Turk
K. Weinel
Central files