



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Department of
Environmental Quality

Amanda Smith
Executive Director

DIVISION OF RADIATION CONTROL
Rusty Lundberg
Director

June 30, 2011

CERTIFIED MAIL
(Return Receipt Requested)

Mr. David C Frydenlund
Vice President, Regulatory Affairs, Counsel and Corp Secretary
Denison Mines (USA) Corp.
1050 17th Street, Suite 950
Denver, Colorado, 80265

Subject: Signed and Executed Tolling Agreement Rev. 2, Relevant to Terms of Stipulated Consent Agreement **Docket No. UGW09-03**

Dear Mr. Frydenlund:

A copy of the final and duly executed June 30, 2011 Revised Tolling Agreement (Rev. 2) between Denison Mines (USA) Corp. (DUSA) and the Co-Executive Secretary of the Utah Water Quality Board is enclosed.

If you have any questions or concerns please contact Tom Rushing at (801) 536-0080 or Loren Morton at (801) 536-4262.

UTAH WATER QUALITY BOARD

Rusty Lundberg
Co-Executive Secretary

RL:TR:tr

Enclosure: June 30, 2011 Tolling Agreement Rev. 2

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TOLLING AGREEMENT

This Tolling Agreement (Agreement) is made by and between Denison Mines (USA) Corp. (DUSA) and the Co-Executive Secretary of the Utah Water Quality Board (Co-Executive Secretary).

WITNESSETH

WHEREAS, DUSA and the Co-Executive Secretary entered into a Stipulated Consent Agreement Docket No. UGW09-03 dated January 27, 2009 (Consent Agreement) related to nitrate contamination at DUSA's White Mesa Uranium Mill Site, Blanding Utah (Mill);

WHEREAS, pursuant to Item 6.A of the Consent Agreement, DUSA submitted a *Nitrate Contamination Investigation Report, White Mesa Uranium Mill Site, Blanding Utah*, dated December 30, 2009 (CIR) to the Utah Division of Radiation Control (DRC);

WHEREAS, Item 7.C of the Consent Agreement provides as follows:

If the Executive Secretary determines that the CIR has omitted any information, content requirements, or failed to meet the performance standards or objectives mandated by Item 6.A, the Executive Secretary will so advise DUSA by written notice and DUSA will remedy such omission or failure within 30 calendar days of receipt of such notice. If DUSA fails to remedy such omission or failure within such 30 day period, DUSA will pay stipulated penalties in the amount of \$2,000 per calendar day for every day after such period that the CIR remains incomplete, as determined by the Executive Secretary;

WHEREAS, by letter dated October 5, 2010 and hand delivered to DUSA on the same date, the Co-Executive Secretary notified DUSA of his determination that the CIR is incomplete (October 5, 2010 DRC Notice). As a result of this determination under Item 7.C of the Consent Agreement, DUSA is to remedy such omissions in the CIR on or before November 4, 2010;

WHEREAS, Item 11 of the Consent Agreement provides as follows:

The deadline stipulated in items 7.A – 7.D may be amended by prior written mutual agreement of the parties. The party requesting the amendment must write to the other party 14 days before the stipulated deadline and request an amendment of the deadline. The other party will either agree to or deny the amendment in writing within 10 days;

WHEREAS, the October 5, 2010 DRC Notice also directed DUSA to take one of the following actions, in accordance with the Consent Agreement:

1. perform a number of additional studies suggested by DRC under a revised CIR that could be submitted to the Co-Executive Secretary for review and approval;
2. opt to request to amend the 30-day deadline for DUSA to submit a revised CIR, pursuant to Item 11 of the Consent Agreement; or
3. opt to request amendment of the Consent Agreement (under Item 11) to provide a schedule for submittal of performance standards and a Corrective Action Plan for the nitrate contamination for Co-Executive Secretary approval under Item 8 of the Consent Agreement;

WHEREAS, by an email transmitted to the Co-Executive Secretary on October 20, 2010, and pursuant to Item 11 of the Consent Agreement, DUSA requested an amendment to the deadline stipulated in item 7.C of the Consent Agreement, which required that Denison must remedy any omissions in, content requirements of, or failure to meet any performance standards or objectives relating to the CIR mandated by Item 6.A of the Consent Agreement, within 30 calendar days of receipt of the October 5, 2010 DRC Notice (*i.e.*, November 4, 2010). Instead, DUSA requested item 7.C be amended as follows:

- a. DUSA representatives will meet with the Co-Executive Secretary and his legal counsel within two weeks from the date of the email to discuss the legal responsibilities of DUSA with respect to the nitrate contamination;
- b. Once the legal responsibilities of DUSA with respect to the nitrate contamination have been determined, DUSA will, within 30 days after such a determination is made, submit to the Co-Executive Secretary for approval a plan and schedule to perform any further investigations that may be required in order to remedy any such omissions, content requirements or failures of performance standards, and to submit a revised CIR; and
- c. DUSA will perform such investigations and submit a revised CIR in accordance with the agreed upon plan and schedule;

WHEREAS, on October 26, 2010, DUSA met with the Co-Executive Secretary, DRC staff and legal counsel (October 26, 2010 Meeting) to discuss DUSA's legal obligations with respect to the nitrate contamination. At the meeting, DUSA reported that it was premature to submit a schedule for submittal of performance standards and a Corrective Action Plan for the nitrate contamination. In turn, DUSA presented a new theory for a possible source of the nitrate and chloride contamination beneath the Mill, based on DUSA's review of the scientific literature (New Theory). Based on this New Theory, DUSA suggested that the nitrate contamination source is or could be caused by naturally occurring nitrate and chloride salt deposits located in the vadose zone near or beneath the Mill site area, which have been mobilized by natural and/or artificial recharge. The parties agreed that this New Theory warrants additional investigation, along with certain of the other additional studies suggested in the October 5, 2010 DRC Notice;

WHEREAS, as agreed at the October 26, 2010 meeting, DUSA submitted via email on

November 15, 2010, a letter setting out the additional studies to be considered that have been identified to date, including the additional studies suggested in the October 5, 2010 DRC Notice, proposed additional studies relating to the New Theory, and any other additional studies that DUSA believes may be relevant. In the November 15, 2010 letter, DUSA proposed that a meeting be held on November 30, 2010 between DRC Staff and DUSA technical and regulatory staff to discuss the foregoing studies and any associated matters, to agree on the studies to be performed and the manner of performing those studies, and to develop a plan and schedule for performing such studies and for submittal of a revised CIR;

WHEREAS, the meeting contemplated in DUSA's November 15, 2010 letter was held on November 30, 2010, among DRC Staff and DUSA technical and regulatory staff. At that meeting, DUSA presented a number of additional studies (herein "Additional Studies") to be performed by DUSA in order to complete the CIR. The Additional Studies were in addition to the New Theory. The Co-Executive Secretary and DUSA further agreed that DUSA would prepare a detailed plan and schedule (the "Plan and Schedule") for performing such studies and for submittal of a revised CIR that meets the requirements of all applicable regulations on or before February 15, 2011. The February 15, 2011 date for submittal of the Plan and Schedule is somewhat later than the original 30 days proposed by DUSA in its October 20, 2010 email to the Co-Executive Secretary, due to the complexity of certain of the Additional Studies to be performed. During the November 30, 2010 meeting it was agreed that both the Plan and Schedule and the revised CIR will be subject to Co-Executive Secretary approval;

WHEREAS, via email correspondence between October 29 and December 13, 2010 the parties exchanged various drafts of the Tolling Agreement;

WHEREAS, the original Tolling Agreement was signed by both parties on December 15, 2010. The Tolling Agreement documented DUSA's commitment that the detailed plan and schedule would be submitted for Co-Executive Secretary review and approval on or before February 15, 2011;

WHEREAS, pursuant to the December 15, 2010 Tolling Agreement, DUSA submitted a *Work Plan and Schedule for Supplemental Contaminant Investigation Report for White Mesa Mill Nitrate Investigation* (hereafter *Work Plan*) to the DRC on February 14, 2011. In a meeting the same day, DUSA presented a summary of the proposed Work Plan. The DRC noticed that some figures shown in the presentation were not included in the February 14, 2011 Work Plan and requested that they be added. DUSA committed that the Revised Work Plan would be submitted for Co-Executive Secretary review and approval on or before February 18, 2011.

WHEREAS, pursuant to the DUSA commitment that a Revised Work Plan would be submitted on or before February 18, 2011, DUSA submitted the Revised Work Plan on February 18, 2011. During the February 14, 2011 meeting both parties agreed that the DRC comments would be provided to DUSA on March 21, 2011 instead of the previously agreed deadline of March 15, 2010;

WHEREAS, the DRC provided DUSA with its comments regarding the February 18, 2011 Work Plan in a March 21, 2011 URS Memorandum by e-mail on March 21, 2011.

WHEREAS, a meeting was held with both parties in Salt Lake City, Utah on April 13, 2011 to discuss the DRC comments for the February 18, 2011 Work Plan. A subsequent meeting was held in Salt Lake City, Utah on April 20, 2011 (hereafter April 20 Meeting). During the April 20 Meeting, it was agreed by both parties that the Nitrate Investigation field work would be conducted in five (5) Phases. During the meeting, the DRC and DUSA discussed in detail what Phase 1 would include and came to a consensus. Phase 1 will include three (3) sub-phases, as follows:

Phase 1A - Geoprobe investigation of a possible natural nitrate salt reservoir in vadose zone soils.

Phase 1B - Geoprobe investigation of potential nitrate source locations in the Mill site area.

Phase 1C - Geoprobe investigation of other potential nitrate sources.

During the April 20 Meeting, the Co-Executive Secretary and DUSA agreed that DUSA would prepare and submit a Revised Work Plan for Phase 1A through C on or before May 6, 2011, and would include, but is not limited to the study information items and objectives found in Attachment 1, below. The DRC committed to give DUSA its comments for the Phase 1 Work Plan on or before May 12, 2011.

During the April 20 Meeting, it was agreed that as many as four other phases of study / activity may be required as part of the nitrate investigation. These were briefly discussed in concept; and it was agreed that the possible remaining phases and activities could include the following:

Phase 2 - Groundwater quality sampling and analysis of existing wells for non-isotopic analytes, including, but not limited to submittal of a revised Quality Assurance Plan (hereafter QAP) for all non-isotopic constituents not currently found in the March 22, 2010 DUSA QAP (Rev. 6).

Phase 3 - Deep bedrock core sampling and analysis at possible natural nitrate reservoir and potential nitrate source locations, with similar objectives as Phase 1A, B and C, above.

Phase 4 - Stable isotopic sampling and analysis of groundwater in existing wells, with details to be defined later, and approved by both parties.

Phase 5 - Isotopic soil sampling and analysis (if needed).

During the April 20 Meeting, the Co-Executive Secretary and DUSA agreed that DUSA would prepare and submit a Revised Phase 2 through 5 Work Plan and Completion Schedule for the Co-Executive Secretary's review and approval on or before June 3, 2011. DUSA also committed to provide, as part of the Revised Phase 2 through 5 Work Plan, an initial Conceptual Site Model (hereafter CSM) to guide the Nitrate Investigation. Both parties agreed that the initial CSM could be subject to revision as Phases 2 through 5 of the investigation proceeded forward. During the April 20 Meeting it was also agreed by both parties that the Automatic Termination

Date for the Tolling Agreement would then be extended to June 30, 2011.

WHEREAS, DUSA submitted the Revised Work Plan for Phase 1A through C on May 6, 2011, and DRC provided its comments to DUSA on May 11, 2011. The revised Plan was finalized and accepted by both parties on May 13, 2011, and field work for Phase 1 was performed in May and June 2011.

WHEREAS, DUSA submitted the Phase 2 through 5 Work Plan and Completion Schedule on June 3, 2011 (hereafter: Phase 2 through 5 Work Plan, Rev. 0), which is currently under review by DRC. The Phase 2 through 5 Work Plan Rev. 0 included:

- a) A detailed description of the activities, equipment, procedures, performance objectives, and decision criteria involved in Phase 3 (deep bedrock core sampling);
- b) An initial CSM of the facility (Revision 0), that DUSA will use as a guide to plan/conduct the Nitrate Investigation;
- c) A logic diagram for each Phase to identify all studies and decision processes that may be required to meet all applicable regulatory requirements including the performance objectives of the Consent Agreement, Item 6(A)(vi);
- d) Deadlines for commencement and completion of all field and laboratory work for each Phase, and final CIR report preparation; and
- e) The deadline for submittal of a final revised CIR for Co-Executive secretary review and approval.

Per initial DRC comments discussed during a DUSA/DRC conference call on June 8, 2011 and subsequent e-mail from DRC to Denison on June 8, 2011, the Phase 2 through 5 Work Plan Rev. 0 did not contain a detailed description of the activities, equipment, procedures, performance objectives, and decision criteria involved in Phases 2, 4 and 5. DUSA agrees to provide such details for Phase 2 in a revised Phase 2 QAP to be delivered at a date contemplated at the April 20 Meeting, and defined below. With respect to Phases 4 and 5, the Co-Executive Secretary and DUSA agreed at the April 20 Meeting that such details for Phase 4 are to be defined later in support of a revised Consent Agreement, and that Phase 5 will only be performed if needed (the details of that Phase have not yet been defined).

WHEREAS, in a June 8, 2011 conference call the Co-executive Secretary advised DUSA that in order to revise the Consent Agreement to incorporate the deliverables and timelines set out in an approved Phase 2 through 5 Work Plan, it will be necessary to provide a level of detail in that Plan for Phases 2, 3, 4 and 5 comparable to the level of detail for Phase 1 contained in Attachment 1 hereto.

WHEREAS, the Co-Executive Secretary and DUSA agreed that in order to provide the required level of detail for Phases 2, 3, 4 and 5 and support a revised Consent Agreement, it is necessary for DUSA to submit the QAP for Phase 2 to the Co-Executive Secretary for approval, and for DUSA and the Co-Executive Secretary to schedule one or more additional meetings similar to the April 20 Meeting. In the meeting(s) the parties will discuss in detail what each of the Phases will include and come to a consensus. DUSA will prepare detailed descriptions and completion schedules for each of those Phases along with a description of the approved Phase 2

QAP and include these in a Phase 2 through 5 Work Plan Rev. 2.

WHEREAS the Co-Executive Secretary and DUSA further agreed that it would not be realistic for DUSA to submit the Phase 2 QAP and to receive Co-Executive Secretary approval thereon, and for DUSA and the Co-Executive Secretary to schedule the meeting(s) and come to a consensus on the details for each of Phases 2, 3, 4 and 5 in time to agree on an amended Consent Agreement on or before June 30, 2011. As a result, the Co-Executive Secretary and DUSA have agreed that the Automatic Termination Date for this Tolling Agreement would need to be extended.

WHEREAS, in lieu of proceeding further under Item 11 of the Consent Agreement, and amending any deadlines pursuant to Item 7.C, or pursuing dispute resolution under Item 13 of that agreement, the parties desire to give themselves time for:

- a. DUSA to submit the Phase 2 QAP; schedule and a detailed workplan, including, but not limited to study objectives and determination of deliverables (hereafter Phase 2 Detailed Work Plan and Schedule). Later, DUSA will incorporate the Phase 2 Detailed Work Plan and Schedule into the Phase 2 through 5 Work Plan, Rev. 1.0,
- b. The Co-Executive Secretary to review and approve the Phase 2 Detailed Work Plan and Schedule,
- c. The Co-Executive Secretary to provide written comments / feedback to DUSA on the Phase 2 through 5 Work Plan, Rev. 0.
- d. The Co-Executive Secretary and DUSA to schedule one or more meetings to discuss in detail and come to a consensus on the work product details, study objectives, schedules, and deliverables of Phases 4 and 5; and
- e. DUSA to revise the Phase 2 through 5 Work Plan, Rev. 0 to incorporate and fully resolve the Co-Executive Secretary's comments on: 1) The Phase 2 Detailed Work Plan and Schedule, 2) The Phase 2 through 5 Work Plan Rev. 0, and 3) The workplan details, study objectives, schedules and deliverables relating to Phases 4 and 5; and
- f. the Co-Executive Secretary to review and approve the Phase 2 through 5 Work Plan Rev. 1.0, with any modifications deemed necessary by the Co-Executive Secretary; and
- g. the Co-Executive Secretary and DUSA to agree on a revised or replacement Consent Agreement that incorporates the deliverables and timelines set out in the final approved Phase 2 through 5 Work Plan.

WHEREAS, the parties acknowledge that the covenants and forbearance under this Agreement constitute adequate and sufficient consideration.

NOW, THEREFORE, in consideration of the promises contained herein, the parties to

this Agreement do hereby stipulate, covenant, and agree as follows:

1. Calculation of any time period or monetary penalty by the Co-Executive Secretary under Item 7.C of the Consent Agreement shall:
 - a. Not include the period from January 4, 2010 (submittal of the CIR to DRC) through October 5, 2010 (delivery of the DRC Notice to DUSA);
 - b. Not include the period from October 5 to October 20, 2010 (whereby DUSA requested amendment of the Consent Agreement pursuant to Item 11);
 - c. Not include the period from October 20, 2010, through the effective date of this Tolling Agreement, Rev. 2; and
 - d. Include the earlier of either: (i) the Effective Date of Termination of this Agreement as defined in paragraph 9, or (ii) the Automatic Termination Date as defined in paragraph 9, below.

Commencing January 4, 2010 and ending on the date specified in subparagraph 1.d, above, inclusive, is herein referred to as the "Tolling Period".

Stipulated Penalties have not begun to accrue under Item 7.C of the Consent Agreement, and shall not accrue during the Tolling Period.

2. Initial Comments on Phase 2 through 5 Work Plan Rev. 0 --the Co-Executive Secretary shall provide comments on the Phase 2 through 5 Work Plan Rev. 0 (hereafter the "Initial Phase 2 through 5 Comments") on or before June 24, 2011.
3. Phase 2 Detailed Work Plan and Schedule -- on or before July 1, 2011, DUSA shall complete and submit for Co-Executive Secretary review and approval the Phase 2 Detailed Work Plan and Schedule.
4. The Co-Executive Secretary shall provide comments on the Phase 2 Detailed Work Plan and Schedule on or before July 11, 2011, and DUSA shall completely address and resolve all DRC comments, revise the Phase 2 Detailed Work Plan and Schedule, and re-submit for approval on or before July 13, 2011. The Co-Executive Secretary will endeavor to review and approve the Revised Phase 2 Detailed Work Plan and Schedule on or before July 18, 2011.
5. Phases 4 and 5 --the Co-Executive Secretary and DUSA will schedule one or more meetings to discuss in detail and come to a consensus on the details of Phases 4 and 5. Such meetings shall be held on or before July 28, 2011. It is acknowledged that the level of detail to be agreed upon for Phases 4 and 5 will be comparable to the level of detail set out in Attachment 1 hereto for Phase 1 as agreed to by the Co-Executive Secretary. Further details may be developed in additional Quality Assurance Plans to be submitted at later dates as agreed to by the Co-Executive Secretary.

6. Phase 2 through 5 Work Plan Rev. 1.0 - on or before August 4, 2011, DUSA shall complete and submit for Co-Executive Secretary review and approval a Phase 2 through 5 Work Plan Rev. 1.0 which will fully address and resolve the Initial Phase 2 through 5 Comments and will include, but is not limited to:

- a) A detailed description of the activities, equipment, procedures, performance objectives, decision criteria, and deliverables involved in each Phase, including, but not limited to a description and incorporation by reference of the Phase 2 Detailed Work Plan and Schedule and a description of the agreed details and schedules relating to Phases 4 and 5. DUSA will ensure that the scope and content of the Phase 2 through 5 Work Plan, Rev. 1.0 contains similar level of detail as Attachment 1 hereto relating to Phase 1 as agreed to by the Co-Executive Secretary. Such description may contemplate that further details will be developed in additional Quality Assurance Plans to be submitted at later dates, as agreed to in advance by the Co-Executive Secretary; and,
- b) An initial CSM of the facility (Revision 0) that will be used as a guide to plan / conduct the Nitrate Investigation; and,
- c) A logic diagram for each Phase to identify all studies and decision processes that may be required to meet all applicable regulatory requirements including the performance objectives of the Consent Agreement, Item 6(A)(vi); and,
- d) Deadlines for commencement and completion of all field and laboratory work for each Phase, and final CIR report preparation; and,
- e) Deadline for submittal of a final revised CIR for Co-Executive Secretary review and approval.

7. The Co-Executive Secretary shall provide his comments on the Phase 2 through 5 Work Plan and Schedule Rev. 1.0 on or before August 11, 2011. DUSA shall completely address and resolve all DRC comments, revise the Phase 2 through 5 Work Plan Rev. 1.0 and re-submit to the Co-Executive Secretary for review and approval on or before August 18, 2011.

8. After review and approval of the Phase 2 through 5 Work Plan Rev. 1.0, DUSA and the Co-Executive Secretary shall cooperate to negotiate and finalize and execute a revised or replacement Consent Agreement that incorporates the Plan and Schedule, as soon as reasonably practicable, but no later than August 31, 2011. The revised or replacement Consent Agreement will contain a provision to the effect that DUSA will pay to DRC the reasonable fees payable by DRC to the URS Corporation for consulting services to be rendered by the URS Corporation in support of its review of 1) the February 18, 2011 Work Plan and Schedule, 2) the Revised Phase 1 (A through C) Work Plan and Schedule, 3) the Phase 2 through 5 Work Plan Rev. 0, 4) the Phase 2 Detailed Work Plan and Schedule, 5) the Phase 2 through 5 Work Plan and Schedule Rev. 1.0, and 6) the revised CIR on behalf of DRC, based on estimates of such services approved by DUSA.

9. This Agreement shall terminate on the earlier of: (a) August 31, 2011 ("Automatic Termination Date") unless extended by prior written agreement executed by the parties; and (b) the date of execution and delivery of the revised or replacement Consent Agreement contemplated by paragraph 8 above. Prior to the Automatic Termination Date, any party may

terminate this Agreement for any reason and without cause by sending a written termination notice to the other party ("Termination Notice"). Such Termination Notice shall be sent to the other party by certified mail or registered mail, return receipt requested, using the addresses indicated below. Termination shall not be effective until five (5) days after the date the Termination Notice is received by the other party (the "Effective Date of Termination"), as indicated by the return receipts. The Tolling Period shall extend only to the earlier date of: (a) the Effective Date of Termination, or (b) the Automatic Termination Date.

10. The undersigned representatives of the parties certify that they are authorized to enter into the terms and conditions of this Agreement, and to execute for and bind the party whom he represents.

The addresses and persons to whom notice is to be given are as follows:

If to DUSA:

David C. Frydenlund
Vice President and Counsel
Denison Mines (USA) Corp.
1050 17th Street, Suite 950
Denver, CO 80265

If to the Co-Executive Secretary:

Rusty Lundberg
Co-Executive Secretary
Utah Water Quality Board
195 North 1950 West
Salt Lake City, Utah 84116

With a copy to:

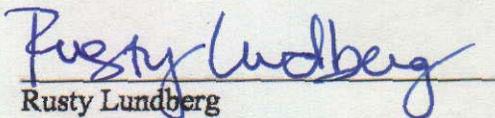
Assistant Attorney General Denise Chancellor,
Office of Attorney General
160 East 300 South, 5th Floor
P.O. Box 140873
Salt Lake City, Utah 84114-0873

11. Subject to all other terms of this Agreement, the parties reserve all existing rights, privileges, defenses and contentions which exist as against each other, and enter into this Agreement without prejudice to or waiver of those rights, privileges, defenses, or contentions.

12. This Agreement may not be modified except in writing and signed by the parties to this Agreement.

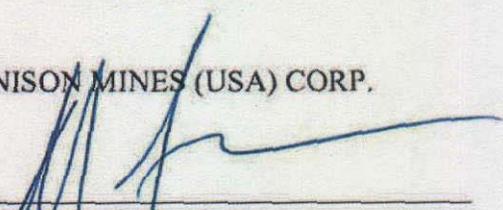
13. This Agreement shall continue in full force and effect until the earlier of the Effective Date of Termination or the Automatic Termination Date, as defined in paragraph 6 of this Agreement.

14. The parties acknowledge that they have had the opportunity to consult with counsel, and have consulted with counsel, prior to executing this Agreement.
15. This Agreement was initially finalized and executed on December 15, 2010, which is the Effective Date of this Agreement.
16. This Agreement was revised and executed on April 28, 2011 (Tolling Agreement Rev. 1)
17. This Agreement was again revised per the effective dates listed below, and is hereafter referred to as Tolling Agreement Rev. 2.)


Rusty Lundberg
Co-Executive Secretary
UTAH WATER QUALITY BOARD

Date: 6/30/2011

DENISON MINES (USA) CORP.

By: 
David C. Frydenlund, Esq.
Vice President and Counsel

Date: 6/30/11

Attachment 1

Two meetings were held in Salt Lake City, Utah on April 13 and 20, 2011 with the DRC, DUSA, INTERA, and URS personnel to discuss the March 21, 2011 DRC comments for the February 18, 2011 DUSA Work Plan for the Nitrate Investigation. As the result of these two meetings, it was agreed by both parties, that the Nitrate Investigation field work could be conducted in five (5) Phases. During the April 20, 2011 meeting, the DRC and DUSA discussed in detail what Phase 1 would include and came to a consensus, as follows:

PHASE 1A - Geoprobe Investigation in Undisturbed Locations

Part 1 - Geoprobe Investigation to Determine Background Nitrate, Chloride and Ammonia Soil Concentrations in Areas Unimpacted by Human Activities ("undisturbed locations"):

1. A Geoprobe boring (Boring #1) will be conducted down to bedrock refusal at each of the 20 undisturbed geoprobe boring locations (per Figure 20 of the February 18, 2011 DUSA Work Plan and Schedule). Three (3) samples will be collected from each geoprobe core location. Soil core samples will be collected from the bottom 1-foot of each of the following intervals: first 1/3, second 1/3, and third 1/3 of the total penetrated depth at each location. Each soil core sample will be sent to the analytical laboratory for analysis of nitrate (as N), chloride, and ammonia nitrogen (as N). Soil analysis will be conducted by an environmental laboratory currently certified by the State of Utah, using EPA approved sample and analysis methods. The Nitrate Extraction and Field Test Procedure, as described in Appendix A of the February 18, 2011 DUSA Work Plan (hereafter Nitrate Field Test) will not be used. Background concentrations for each of the above analytes will be based on the 95% Upper Confidence Limit (UCL) of the 60 samples collected and analyzed. Said UCL will be determined using commonly accepted descriptive statistical methods and will be subject to DRC approval. After DRC approval, said site soil "background" concentration will be used for comparative and determinative purposes in PHASES 1B and 1C of the Geoprobe Investigation of Potential Nitrate Source Locations described below.

Part 2 - Geoprobe Investigation of a Possible Natural Nitrate Salt Reservoir:

1. A duplicate geoprobe boring (Boring #2) will be installed in close proximity (within 5 horizontal feet) to each of the geoprobe borings (Boring #1) from Phase 1A, Part 1, above). Each of these duplicate geoprobe borings (Borings #2) will be driven down to bedrock refusal at each of the 20 undisturbed locations, mentioned in Phase 1A, Part 1, above.

A sample from within the 0 to 0.5 foot interval below ground surface (BGS) will be collected in each of these 20 geoprobe boring locations. These surface soil samples will be analyzed using the Nitrate Field Test, described above and, if nitrate concentrations are detectable, will be sent to an approved analytical laboratory for analysis. The sample taken in this manner for each geoprobe location will serve as

baseline for that borehole for the purposes of determining whether or not a nitrate or chloride reservoir is indicated at that location.

Soil core samples will be collected at each geoprobe location to:

- a) ensure a minimum core recovery of 95%, or as otherwise approved in advance by the Co-Executive Secretary,
- b) provide discrete and individual 1-foot depth samples,
- c) be placed into a sealable plastic bag that is labeled in accordance with EPA approved field methods. This sealed bag will be retained for the purpose of further laboratory analysis at DUSA's discretion, and
- d) Each discrete 1-foot soil sample will be thoroughly mixed and homogenized within the plastic bag before any field or laboratory analysis. Said soil samples will then be considered representative of the individual 1-foot core interval.

Thereafter, an aliquot of each discrete 1-foot soil sample will be taken from the bag and analyzed using the Nitrate Field Test described in Appendix A of the February 18, 2011 DUSA Work Plan and Schedule.

Elevated soil samples, i.e. those found with Nitrate Field Test results that are twice the baseline concentration, as determined by field analysis of the 0-0.5-foot BGS sample described above (Phase 1A, Part 2, Item 1) or as determined by field judgment to be elevated will be sent to the approved analytical laboratory for nitrate (as N) soil analysis. The Nitrate Field Test results from Boring #2 at each location will be used as a tool by DUSA to examine the possibility of a natural nitrate salt deposit in vadose zone soils at the White Mesa Mill site using the 1-foot sample intervals.

PHASE 1B - Geoprobe Investigation of Potential Nitrate Source Locations:

1. Multiple geoprobe borings will be driven down to bedrock refusal at 16 of the potential on-site Nitrate Sources, shown on the DUSA handout provided in the April 20, 2011 meeting. Of these 16 potential sources, 8 are considered by DUSA as High Priority Locations and will be investigated with four (4) geoprobe borings at each source in a north-east-west-south relative orientation. For the remaining 8 potential sources, DUSA considers them to be Low Priority Locations and will each receive (2) geoprobe borings. Soil core samples will be collected from each geoprobe location to ensure a minimum core recovery of 95%, or as otherwise approved in advance by the Co-Executive Secretary. The location of these borings will be based on best professional judgement, considering the most likely water / waste / wastewater discharge direction.

For all of these Phase 1B locations, three (3) core samples from each boring will be collected from the bottom 1-foot of each of the following intervals: first 1/3, second 1/3, and third 1/3, based on the total depth of penetration at each site. At a minimum, all 144 samples (from the 48 total Phase 1B geoprobe borings) shall be sent to the approved analytical laboratory for soil analysis. Each laboratory result will be compared to the statistically derived "site background" concentration as determined in the Phase 1A, Part

1, Item 1 described above, to determine if the source could have contributed significant nitrogen and/or chloride mass to cause, in part or in whole, groundwater concentrations found in nearby DUSA wells.

The Co-Executive Secretary reserves the right to collect soil samples for laboratory analysis, at DRC cost, from any 1-foot core interval, of any boring.

Geoprobings in the area of active leach fields may be conducted in a separate campaign, with a different field crew if determined necessary by DUSA in order to address potential health and safety issues.

PHASE 1C - Geoprobe Investigation of Other Potential Nitrate Sources:

1. At DUSA discretion, single geoprobe borings may be performed down to refusal at each of the Other Potential Nitrate Sources found in a DUSA Figure titled: "Potential Geoprobe Boring Location - Supplemental Contaminant Investigation," submitted during the April 20, 2011 meeting, and at other locations that may be determined by DUSA. Said figure showed seven (7) additional geoprobe locations that DUSA wanted to investigate. At each geoprobe location, DUSA may choose to collect three (3) discrete 1-foot core samples from the bottom 1-foot of each of the following intervals: the first 1/3, second 1/3, and third 1/3 depth, based on the total depth of penetration at each site. DUSA may use the Nitrate Field Test to determine whether or not nitrate concentrations are detectable and whether or not a sample will be sent to the approved analytical laboratory for analysis. For any boring where soil core samples will be sent for laboratory analysis, DUSA will ensure a minimum core recovery of 95%, or as otherwise approved in advance by the Co-Executive Secretary. Any such soil laboratory results may then be compared to the "site background" soil concentrations as determined in the PHASE 1A, Part 1, Item 1 described above. Any interpretation of the influence or contribution of these "other" potential nitrate sources to the nitrate groundwater contamination under investigation at the White Mesa facility will be subject to DRC review and approval.