



February 22, 2024

Hunter Ridley
Environmental Protection Specialist I
State of Colorado Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, CO 80203

Delivered via email to hunter.ridley@state.co.us

RE: Corrective Actions in Response to Inspection Reports P-2007-015 and P-2008-043 dated November 2, 2023

Dear Ms. Ridley:

As identified by the Division of Reclamation, Mining and Safety (DRMS) Inspection Report P-2007-015 dated November 2, 2023, monitoring wells BH836 and BH842 have been located and temporarily sealed. Attachment A provides descriptions and photographs of the methods used. Both monitoring wells are permitted by the Colorado Division of Water Resources (DWR) and are planned to be plugged and abandoned in accordance with DWR 2 CCR 402-2 Rule 16. A licensed well drilling contractor has been hired to perform the work and has indicated the work will be completed by approximately May 1, 2024.

Once the plugging and abandonment work for BH836 and BH842 is completed, Powertech (USA) Inc. (Powertech) will submit a Modification Request to the DRMS with a description and photographs of the abandonment work performed along with copies of the GWS-09 abandonment forms submitted to the DWR. An updated map showing the locations of all wells covered by P-2007-015 and P-2008-043 will be included with the Modification Request. Upon receiving DRMS's acceptance of the Modification Request, Powertech will submit a formal request to release the financial warranties for P-2007-015 and P-2008-043 to complete the corrective actions identified in the above-referenced Inspection Reports dated November 2, 2023.

If you have any questions regarding the corrective measures completed to date or those planned going forward, please contact me at pluthiger@encoreuranium.com or 361-239-5449.

Sincerely,

peter luthiger

Peter Luthiger
Chief Operating Officer

Encl. Attachment A

cc: L. Eakin



ATTACHMENT A

Location and Temporary Sealing Report for BH836 and BH842

Centennial Project Visit and Missing Well Work

12/11-12/13/2023

Len Eakin

This report is a follow up to Lisa Scheinost's summary report dated 11/2/2023, "Notes from DRMS Inspection at Centennial November 2, 2023".

I arrived at the project site on 12/11/2023 and immediately went out to attempt to locate both missing wells BH-842 and BH-836.

Well BH-842:

Upon arriving at the coordinates for BH-842 I saw that the field looked like it had been recently disc'd. The soil is extremely sandy and due to the recent work, the top of the well casing was immediately visible. The top of the open casing had a small chunk broken off, but the casing was in overall good condition.

Well BH-842 upon initial discovery:



After some minor digging with a shovel, I was able to make some quick measurements so that I could plan a temporary fix which I completed on Tuesday. The previously installed wellhead was not present.

Well BH-842 after minor digging:



Well BH-842 after temporary cap and cover installed:





Well BH-836:

Locating well 836 required considerably more work. Upon arrival at the site, I noticed a metal t post laying in the dirt near the coordinates of 836. Digging an area approximately 5x5 feet yielded only the padlock and some concrete chunks from the wellhead pad. I spent 3 hours digging on Monday without finding the well. That evening using historical aerial imagery I measured distances from well 837 and a nearby metal culvert. Swinging arcs using these distances gave me a target area approximately 4x4' right at the edge of the new road alignment. After digging 3.5 feet below the road surface, I located the top of the broken well casing. After taking some measurements I drove back into Wellington and bought supplies and tools to complete a temporary fix. The well is located 42' from BH-837 and 49.5' from the closest culvert. I spoke with Justin Smith during excavation and after finding the well. We both agreed that a flush mount wellhead would be best here if the well is not abandoned, which brings me to my

next point. **Well BH-836 is dry and/or partially filled with dirt that no doubt fell in after the accident. I recommend abandoning this well if possible.**

Well BH-836 upon discovery:



Temporary extension:



Temporary extension and cover installed:





BH-836 after well cover installed and excavation filled back in:

