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June 17, 2008
Revised July 2, 2008
File 89241-2

Ms. Kimberly Finke-Morrison
Golder Associates, Inc.
44 Union Boulevard, Suite 300
Lakewood, Colorado 80228

Subject: Absorption Field Septic System Design
Mill Facility and Administration Building
Piñon Ridge Project
Montrose County, Colorado

Dear Ms. Morrison,

Individual absorption field septic systems will be required for the subject project. Systems are planned for the Administration Building and the Mill facility. The system at the Mill facility will be located near the Change Room/Laboratory Building on the south end of the facility. We understand an average of 27 employees will utilize the septic system at the Administration Building and 74 employees at the Mill facility, inclusive of all shifts. The Mill facility will include shower stalls in addition to restrooms.

During exploration for the Phase 2 geotechnical investigation, two sets of field percolation tests were performed for use in absorption field sizing design. At the time of testing the location for the two septic systems had not been established. The tests were performed at the south end of the site in the area designated for the Mill facility and at the north end of the site where the Administration Building had been shown in conceptual planning. The Administration Building has subsequently been moved to the east side of the property, east of the evaporation pond area.

The test at the north end of the site (Test 1) was located adjacent to Boring PR1-1 and the south test (Test 2) adjacent to Boring PR1-17. These borings were drilled during the Phase 1 investigation by Kleinfelder as part of the initial characterization of the property. These borings and test locations are shown on Figure 1. The Phase 1 boring logs are attached.

At each test location three percolation holes were drilled to depths of about 3 feet. The holes were spaced on 50-foot centers with Test 1 in an east-west alignment and Test 2 in a north-south alignment. The subsurface profile consisted of silty sand at both test

locations. The percolation holes were filled with water immediately after drilling. Percolation testing was performed less than 24 hours later. Test results are presented in Table 1 and indicate an average percolation rate of approximately 12 and 16 minutes per inch for Test 1 and 2, respectively. It is common practice in absorption field design to use a conservative percolation rate and, therefore, we recommend a design percolation rate of 20 minutes per inch, which is representative of the slowest rate measured during testing.

Using the Colorado Department of Public Health and Environment (CDPHE), *Guidelines on Individual Sewage Disposal Systems*¹, Table 1, 35 gallons per person per day is the average sewage flow for a Factory or Plant and 15 gallons per person per day the average sewage flow for an Office Building. The design flow per CDPHE is 150 percent of the average flow.

The minimum absorption area in square feet (A) for an individual sewage disposal system is determined as a function of the design flow of sewage in gallons per day (Q), and the percolation rate in minutes per inch (t), according to the formula:

$$A = \frac{Q}{5} \sqrt{t}$$

The minimum absorption area for the septic system at the Mill facility is 3,475 square feet based on a design flow of 3,885 gallons per day and a percolation rate of 20 minutes per inch. The Administration Building should have an absorption area of 544 square feet based on a design flow of 608 gallons per day and the same percolation rate.

A typical detail for an absorption field is shown on Figure 2. The field should have a maximum length of 100 feet. For the Mill facility we recommend an absorption field with plan dimensions of 36 feet by 100 feet, provided with 6 distribution lines. For the Administration Building an absorption field with plan dimensions of 12 feet by 50 feet provided with 2 distribution lines is recommended.

The recommendations in this letter are based on field percolation testing at the locations shown on Figure 1 and our present understanding of the facility occupancy. It is possible that subsurface conditions at the actual septic system sites may vary from those shown in this report. Consequently, we recommend the percolation rate be verified once each specific location has been determined and surface grading completed. If the percolation rates found during construction differ from those described

¹ Colorado Department of Public Health and Environment, Water Quality Control Division, 5 CCR 1003-6, *State Board of Health Guidelines on Individual Sewage Disposal Systems*, amended September 20, 2000.

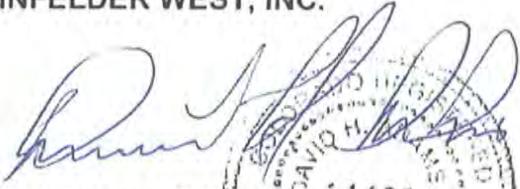
in this letter, the size of the absorption field may have to be adjusted.

Kleinfelder has prepared this letter for the exclusive use of Golder Associates and Energy Fuels Resources Corporation for the Piñon Ridge Mill Facility in Montrose County, Colorado. The letter was prepared in substantial accordance with the generally accepted standards of practice for geotechnical engineering as exist in the site area at the time of our investigation. No warranty is expressed or implied.

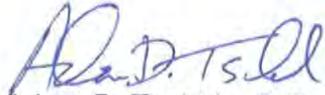
If you have any questions, please contact our office at (303)237-6601.

Respectfully submitted,

KLEINFELDER WEST, INC.


David H. Adams, P.E.
Senior Professional

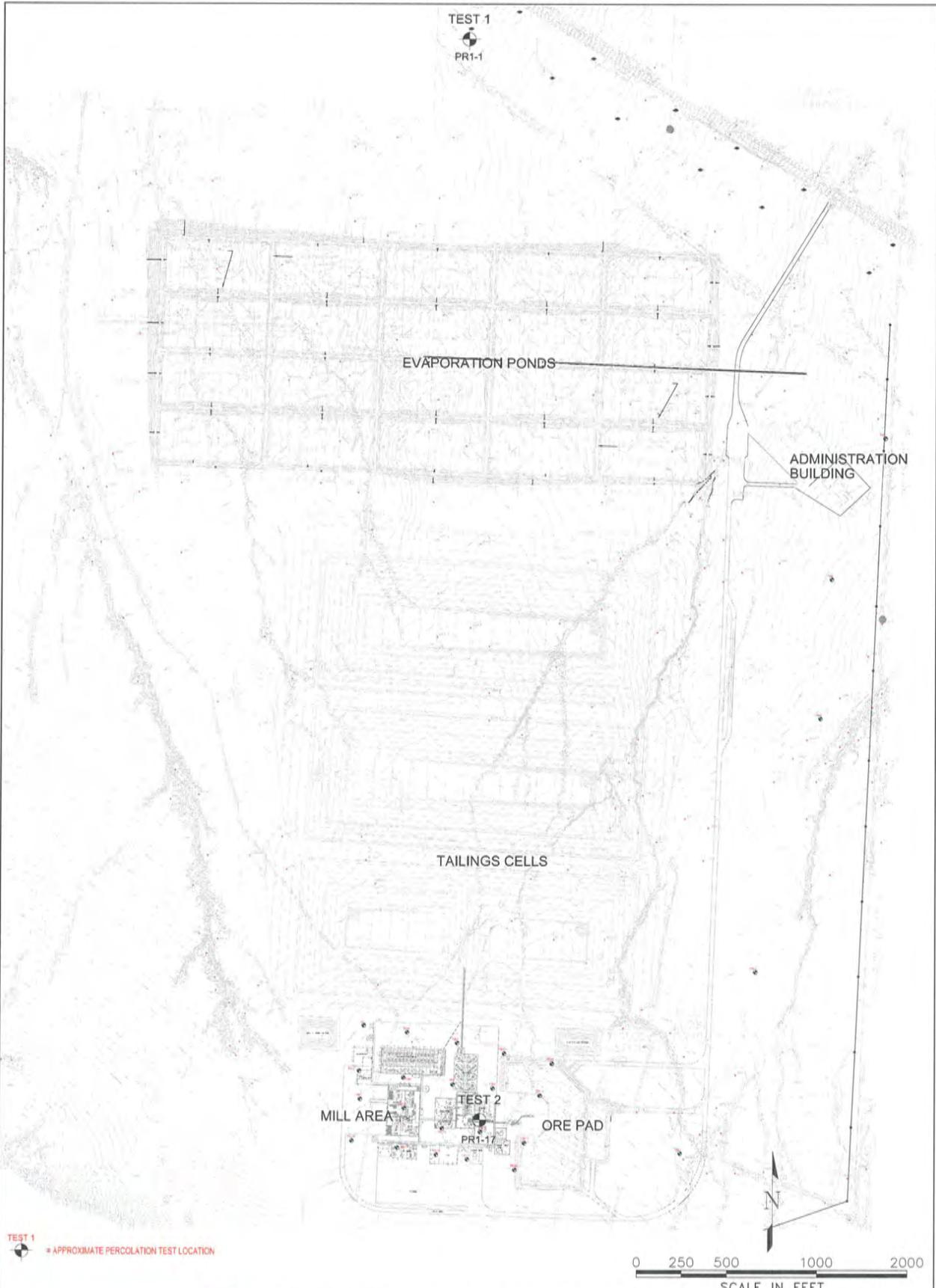



Adam D. Tschida, P.E.
Geotechnical Manager

Cc: Energy Fuels Resources Corporation
CH2M Hill

DHA/ADT/jw

Enclosures



TEST 1
 = APPROXIMATE PERCOLATION TEST LOCATION

DRAWING REFERENCE: BASEMAP DATED 4/24/2008
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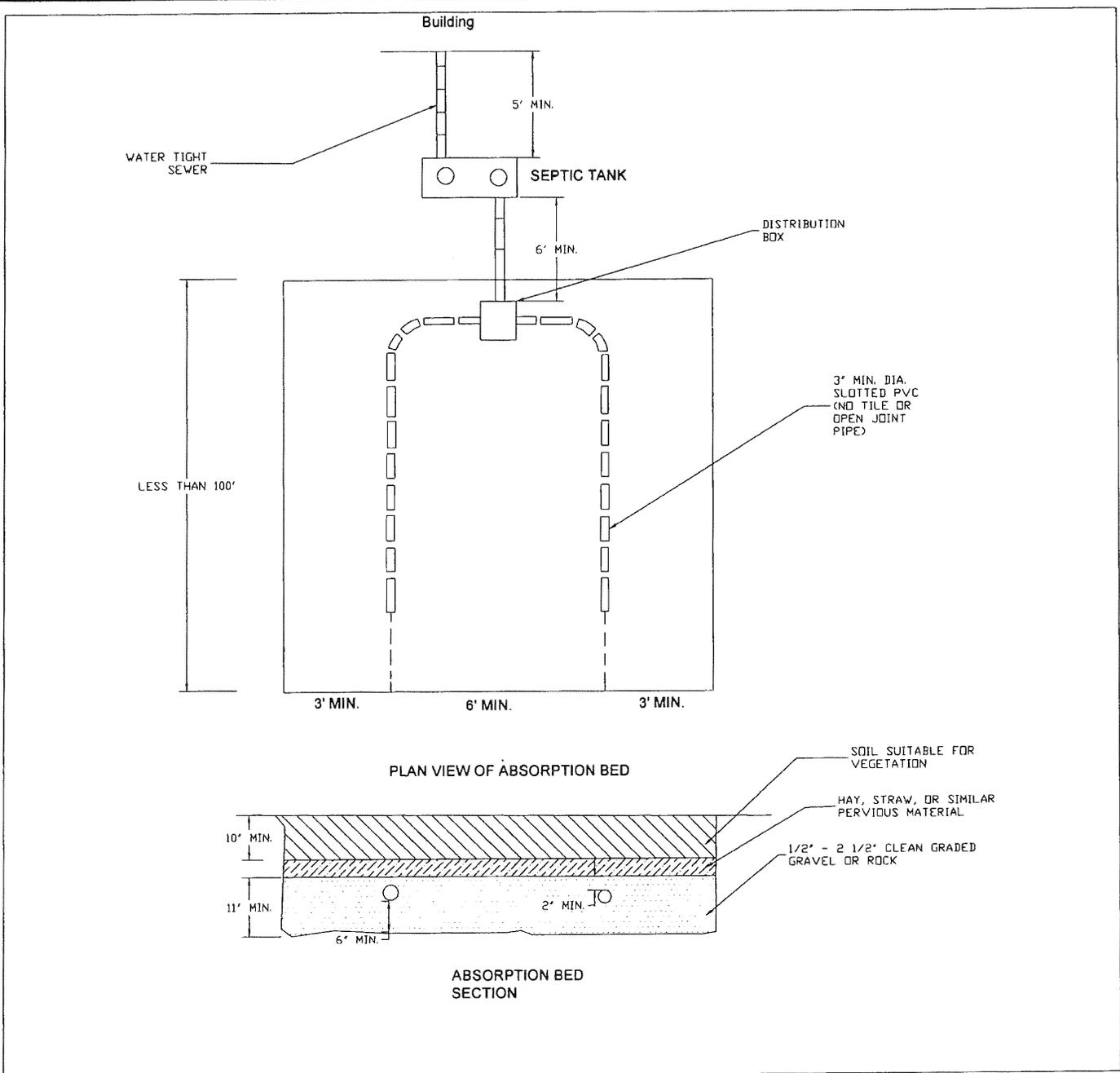


PROJECT NO.	89241.2
DRAWN:	7/2/08
DRAWN BY:	JE
CHECKED BY:	DA
FILE NAME:	

PERCOLATION TEST LOCATIONS
 PINON RIDGE PROJECT
 MONTROSE COUNTY, COLORADO

FIGURE
1

U:\JE\arcview\Pinon Ridge\perc locations 114107



NOT TO SCALE

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PROJECT NO.	89241.2
DRAWN:	6/2/08
DRAWN BY:	RW
CHECKED BY:	
FILE NAME:	

U:\Edwards\Piñon Ridge\vicinity map updated

TYPICAL ABSORPTION FIELD DETAIL

PIÑON RIDGE PROJECT
MONTROSE COUNTY, COLORADO

FIGURE

2

TABLE 1
 ABSORPTION FIELD PERCOLATION TEST RESULTS

**TEST 1
 (NEXT TO BORING PR1-1)**

Job Name: Piñon Ridge Mill, Proposed Leach Field Septic System
 Job #: 89241-2
 Date/Time of Test: 11/07/2007 7:45:00 AM
 Test Performed By: R.K.

TEST 1-1 (EAST)	<i>Water Depth at Interval Start (in)</i>	<i>Water Depth at Interval Finish (in)</i>	<i>Drop in Water Level (in)</i>	<i>Interval Time (min)</i>
Depth of Hole: 33" Diameter of Hole: 4" Depth of Water in Hole: 31.5" Percolation Rate: 10 min/inch	31.50	26.00	5.50	10
	26.00	23.75	2.25	10
	23.75	22.00	1.75	10
	22.00	20.50	1.50	10
	20.50	19.50	1.00	10
	19.50	18.75	0.75	10
	18.75	18.00	0.75	10
	18.00	17.00	1.00	10
	17.00	16.00	1.00	10
16.00	15.00	1.00	10	
TEST 1-2 (MIDDLE)	<i>Water Depth at Interval Start (in)</i>	<i>Water Depth at Interval Finish (in)</i>	<i>Drop in Water Level (in)</i>	<i>Interval Time (min)</i>
Depth of Hole: 29" Diameter of Hole: 4" Depth of Water in Hole: 27.5" Percolation Rate: 13.3 min/inch	27.50	23.00	4.50	10
	23.00	21.00	2.00	10
	21.00	19.50	1.50	10
	19.50	18.00	1.50	10
	18.00	17.00	1.00	10
	17.00	16.00	1.00	10
	16.00	15.00	1.00	10
	15.00	14.25	0.75	10
	14.25	13.50	0.75	10
13.50	12.75	0.75	10	
TEST 1-3 (WEST)	<i>Water Depth at Interval Start (in)</i>	<i>Water Depth at Interval Finish (in)</i>	<i>Drop in Water Level (in)</i>	<i>Interval Time (min)</i>
Depth of Hole: 36" Diameter of Hole: 4" Depth of Water in Hole: 33" Percolation Rate: 13.3 min/inch	33.00	28.00	5.00	10
	28.00	24.75	3.25	10
	24.75	22.50	2.25	10
	22.50	20.25	2.25	10
	20.25	19.00	1.25	10
	19.00	17.50	1.50	10
	17.50	16.00	1.50	10
	16.00	15.25	0.75	10
	15.25	14.50	0.75	10
14.50	13.75	0.75	10	

AVERAGE PERCOLATION RATE: 12.2 min/in

TEST 2
(NEXT BORING PR1-17)

Job Name: Piñon Ridge Mill, Proposed Leach Field Septic System
Job #: 89241-2
Date/Time of Test: 11/07/2007 10:00:00 AM
Test Performed By: R.K.

TEST 2-1 (NORTH)	<i>Water Depth at Interval Start (in)</i>	<i>Water Depth at Interval Finish (in)</i>	<i>Drop in Water Level (in)</i>	<i>Interval Time (min)</i>
Depth of Hole: 37" Diameter of Hole: 4" Depth of Water in Hole: 37" Percolation Rate: 13.3 min/inch	37.00	31.00	6.00	10
	31.00	26.50	4.50	10
	26.50	23.50	3.00	10
	23.50	21.50	2.00	10
	21.50	20.00	1.50	10
	20.00	18.75	1.25	10
	18.75	17.25	1.50	10
	17.25	16.50	0.75	10
	16.50	15.50	1.00	10
	15.50	14.75	0.75	10
	14.75	14.00	0.75	10
	14.00	13.25	0.75	10
13.25	12.50	0.75	10	
TEST 2-2 (MIDDLE)	<i>Water Depth at Interval Start (in)</i>	<i>Water Depth at Interval Finish (in)</i>	<i>Drop in Water Level (in)</i>	<i>Interval Time (min)</i>
Depth of Hole: 35" Diameter of Hole: 4" Depth of Water in Hole: 35" Percolation Rate: 13.3 min/inch	35.00	28.00	7.00	10
	28.00	22.50	5.50	10
	22.50	18.50	4.00	10
	18.50	15.50	3.00	10
	15.50	13.25	2.25	10
	13.25	12.00	1.25	10
	12.00	10.25	1.75	10
	10.25	9.00	1.25	10
	9.00	8.00	1.00	10
	8.00	7.00	1.00	10
	7.00	6.25	0.75	10
	6.25	5.50	0.75	10
5.50	4.75	0.75	10	
TEST 2-3 (SOUTH)	<i>Water Depth at Interval Start (in)</i>	<i>Water Depth at Interval Finish (in)</i>	<i>Drop in Water Level (in)</i>	<i>Interval Time (min)</i>
Depth of Hole: 27" Diameter of Hole: 4" Depth of Water in Hole: 27" Percolation Rate: 20 min/inch	27.00	20.00	7.00	10
	20.00	16.00	4.00	10
	16.00	14.00	2.00	10
	14.00	12.25	1.75	10
	12.25	11.00	1.25	10
	11.00	9.75	1.25	10
	9.75	8.75	1.00	10
	8.75	8.00	0.75	10
	8.00	7.00	1.00	10
	7.00	6.50	0.50	10
	6.50	6.00	0.50	10
	6.00	5.50	0.50	10
5.50	5.00	0.50	10	

AVERAGE PERCOLATION RATE: 15.5 min/in

BOREHOLE LOG

Boring # PR1-01
Sheet 1 of 2
Drawing #
Revision: 2

KLEINFELDER

Project Name: Energy Fuels Pinon Ridge Mill	Started: 9/7/2007	Groundwater: Not encountered	Total Depth (ft.): 30.3
Project Number: 83088	Completed: 9/7/2007	Drilling Co.: Spectrum	Surface Elevation:
Location: Naturita, CO	Backfilled: 9/7/2007	Rig Type: Stratostar 10	Northing: 1597860
Logged by: M. Vallejo	Backfill Type: Cuttings, mortar plug	Driller: T. McInroy	Easting: 2061661

Depth, feet	Elevation, feet	Description	Graphic Log	Drilling Method	Sample/Run No.	Sample Type	Blow Counts	% Recovery	RQD	Operational Remarks
0		SILTY SAND (SM)- fine to medium, medium dense to dense, light brown, dry, with calcareous material, frequent clayey seams and fine sand partings, trace fine subrounded to angular gravel	[Symbol]	HSA	S-1	SPT	10-9-15	89	n/a	Borehole drilled using 4.25" ID, 8.5" OD hollow stem auger (HSA). Borehole backfilled with mortar plug from ground surface to 2 ft bgs. Backfilled with auger cuttings from 2 ft bgs to 30.25 ft bgs.
5	[Symbol]		HSA	S-2	SPT	16-20-27	100	n/a		
7.0			SANDY SILT (ML)- fine to medium sand, hard, brown, dry, frequent sandy partings, trace calcareous material, trace fine gravel	[Symbol]	HSA	S-3	SPT	14-17-20	100	
10	[Symbol]	HSA		S-4	SPT	24-24-22	100	n/a		
11.0		SANDY LEAN CLAY (CL)- fine, hard, light brown, dry, strong HCl reaction, weakly cemented, with calcareous material, frequent fine sand partings, trace fine gravel	[Symbol]	HSA	U-5	U	25-39-50/5"	100	n/a	
15	[Symbol]		HSA	S-6	SPT	17-50/5.5"	100	n/a		
20	[Symbol]		HSA	S-7	SPT	22-23-21	100	n/a		
25	[Symbol]		HSA	S-7	SPT	22-23-21	100	n/a		
30										

Checked by: _____ Date: _____

Reviewed by: _____ Date: _____

Approved by: _____ Date: _____

- Notes:
- 1) Borehole coordinates are shown in State Plane, Colorado South Zone, NAD 83 datum.
 - 2) SPT = 2" O.D. 1.38" I.D. Tube Sample
 - U = 3" O.D. 2.42" I.D. Ring Sample

BOREHOLE LOG

KLEINFELDER

Boring # PR1-01
Sheet 2 of 2
Drawing #
Revision: 2

Project Name: Energy Fuels Pinon Ridge Mill	Started: 9/7/2007	Groundwater: Not encountered	Total Depth (ft.): 30.3
Project Number: 83088	Completed: 9/7/2007	Drilling Co.: Spectrum	Surface Elevation:
Location: Naturita, CO	Backfilled: 9/7/2007	Rig Type: Stralastar 10	Northing: 1597860
Logged by: M. Vallejo	Backfill Type: Cuttings, mortar plug	Driller: T. McInroy	Easting: 2061661

Depth, feet	Elevation, feet	Description	Graphic Log	Drilling Method	Sample/Run No.	Sample Type	Blow Counts	% Recovery	RQD	Operational Remarks
30	30.3	Bottom of Borehole at 30.3 feet.	XXXX	HSA	S-8	SPT	50/3	100	n/a	
35										
40										
45										
50										
55										
60										

Originator and Reviewer Signatures and Dates are presented on Sheet Number 1 of this Borehole Log.

- Notes:
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 - 2) SPT = 2" O.D. 1.38" I.D. Tube Sample
U = 3" O.D. 2.42" I.D. Ring Sample

BOREHOLE LOG

KLEINFELDER

Boring # PR1-17
Sheet 1 of 3
Drawing #
Revision: 2

Project Name: Energy Fuels Pinon Ridge Mill	Started: 8/22/2007	Groundwater: Not encountered	Total Depth (ft.): 83.5
Project Number: 83088	Completed: 8/22/2007	Drilling Co.: Spectrum	Surface Elevation:
Location: Naturita, CO	Backfilled: 8/22/2007	Rig Type: Stralastar 10	Northing: 1591874
Logged by: M. Vallejo	Backfill Type: Cuttings, mortar plug	Driller: T. McInroy	Easting: 2061530

Depth, feet	Elevation, feet	Description	Graphic Log	Drilling Method	Sample/Run No.	Sample Type	Blow Counts	% Recovery	RQD	Operational Remarks
0		SILTY SAND (SM)- fine, medium dense, light brown, dry, trace coarse sand and fine gravel, trace rootlets	[Symbol]							Borehole drilled using 4.25" ID, 8.5" OD hollow stem auger (HSA) from ground surface to 76.5 ft bgs. Borehole backfilled with mortar plug from ground surface to 2 ft bgs. Backfilled with auger cuttings from 2 ft bgs to 83.5 ft bgs.
4.5		SILTY SAND WITH GRAVEL (SM)- fine to coarse, fine to coarse gravel, medium dense, light brown, dry, trace calcium carbonate fragments, trace rootlets	[Symbol]	HSA	S-1	SPT	4-6-6	100	n/a	
5		Weakly cemented with occasional clay seams at 7.5 ft bgs.	[Symbol]							
9.5		CLAYEY SAND (SC) TO SANDY LEAN CLAY (CL)- fine, medium dense/very stiff, light brown, dry, weakly cemented, some silt, frequent fine sand partings, trace calcareous nodules	[Symbol]	HSA	S-2	SPT	4-6-7	100	n/a	
10			[Symbol]	HSA	S-3	SPT	4-5-6	100	n/a	
15			[Symbol]	HSA	S-4	SPT	6-8-9	100	n/a	
18.1		SILTY, CLAYEY SAND (SC-SM)- fine, very dense, white to light brown, dry, strong HCl reaction, weakly cemented, with calcium carbonate seams and veinlets	[Symbol]	HSA	S-5	SPT	7-7-8	100	n/a	
20			[Symbol]	HSA	S-6	SPT	15-31-43	100	n/a	Driller noted cemented material from 22 ft bgs.
24.0		SILTY SAND (SM)- fine, medium dense to very dense, reddish brown, dry	[Symbol]	HSA	S-7	SPT	8-13-14	100	n/a	
25			[Symbol]							
30			[Symbol]							

Checked by: _____ Date: _____

Reviewed by: _____ Date: _____

Approved by: _____ Date: _____

Notes:

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- 2) SPT = 2" O.D. 1.38" I.D. Tube Sample
U = 3" O.D. 2.42" I.D. Ring Sample

BOREHOLE LOG

KLEINFELDER

Boring # PR1-17
Sheet 2 of 3
Drawing #
Revision: 2

Project Name: Energy Fuels Pinon Ridge Mill	Started: 8/22/2007	Groundwater: Not encountered	Total Depth (ft.): 83.5
Project Number: 83088	Completed: 8/22/2007	Drilling Co.: Spectrum	Surface Elevation:
Location: Naturita, CO	Backfilled: 8/22/2007	Rig Type: Stratastar 10	Northing: 1591874
Logged by: M. Vallejo	Backfill Type: Cuttings, mortar plug	Driller: T. McInroy	Easting: 2061530

Depth, feet	Elevation, feet	Description	Graphic Log	Drilling Method	Sample/Run No.	Sample Type	Blow Counts	% Recovery	RQD	Operational Remarks
30		SILTY SAND (SM)- fine, medium dense to very dense, reddish brown, dry	[Symbol]	HSA	S-8	SPT	30-50/5*	100	n/a	
		Weakly cemented with trace calcareous material at 30 ft bgs; strong HCl reaction.								
35			[Symbol]	HSA	S-9	SPT	8-16-23	100	n/a	
		JK 3								
40		SILTY CLAYEY SAND (SC-SM)- fine, very dense, reddish brown, dry, moderately cemented, frequent fine sand partings, trace calcareous material	[Symbol]	HSA	S-10	SPT	12-16-46	100	n/a	
45			[Symbol]	HSA	S-11	SPT	17-22-34	100	n/a	
		Red siltstone fragments from 48 ft to 55 ft bgs.								
50			[Symbol]	HSA	S-12	SPT	50/5*	100	n/a	
		55.0								
55		SILTY SAND (SM)- fine, very dense, reddish brown, dry, trace clay, trace calcareous material, moderately cemented seams	[Symbol]							
60										

Originator and Reviewer Signatures and Dates are presented on Sheet Number 1 of this Borehole Log.

- Notes:
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BOREHOLE LOG

Boring # PR1-17
Sheet 3 of 3
Drawing #
Revision: 2

KLEINFELDER

Project Name: Energy Fuels Pinon Ridge Mill	Started: 8/22/2007	Groundwater: Not encountered	Total Depth (ft.): 83.5
Project Number: 83088	Completed: 8/22/2007	Drilling Co.: Spectrum	Surface Elevation:
Location: Naturita, CO	Backfilled: 8/22/2007	Rig Type: Stratastar 10	Northing: 1591874
Logged by: M. Vallejo	Backfill Type: Cuttings, mortar plug	Driller: T. McInroy	Easting: 2061530

Depth, feet	Elevation, feet	Description	Graphic Log	Drilling Method	Sample/Run No.	Sample Type	Blow Counts	% Recovery	RQD	Operational Remarks
60		SILTY SAND (SM)- fine, very dense, reddish brown, dry, trace clay, trace calcareous material, moderately cemented seams	[Symbol]	HSA	S-13	SPT	25-34-35	100	n/a	
65		Coarse gravel and cobbles from 65 ft to 70 ft bgs (possibly limestone or calcic quartzite), strong HCl reaction.	[Symbol]							
70		Fine to coarse gravel at 70 ft bgs.	[Symbol]	HSA	S-14	SPT	50/2"	100	n/a	
74.0		CLAYEY SAND (SC)- fine, very dense, reddish brown, dry, some claystone fragments	[Symbol]	HSA	S-15	SPT	50/3"	100	n/a	Driller noted hard drilling from 75 ft bgs.
76.5		SANDSTONE - hard to very hard, red, fresh	[Symbol]	AWR	R-16	NQ	n/a	19	0	Began NQ coring at 76.5 ft bgs, utilized air rotary with water (AWR) drilling.
78.5		SILTSTONE - hard to very hard, red, fresh with occasional slight weathering along partings, horizontal bedding angle, green-colored reduction zone at 79 ft bgs, joint plane (45 degree inclination) at 80.3 ft bgs	[Symbol]	AWR	R-2	NQ	n/a	87	77	
80.5		WINDGATE SANDSTONE - fine grained, hard to very hard, red, fresh, thickly bedded with occasional cross bedding, manganese oxide staining on joints, slightly fractured to solid, fracture with 33 inclination at 83.2 ft bgs	[Symbol]	AWR	R-3	NQ	n/a	93	85	
83.5		Bottom of Borehole at 83.5 feet.								

Originator and Reviewer Signatures and Dates are presented on Sheet Number 1 of this Borehole Log.

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U = 3" O.D. 2.42" I.D. Ring Sample