



TEXAS WATER COMMISSION
Stephen F. Austin State Office Building
Austin, Texas

PRODUCTION AREA AUTHORIZATION
Mine: Kingsville Dome
Mining Project
Production Area: UR02827-011

PERMIT to conduct underground
injection under provisions of
Permit No. URO 2827

I. Name of Permittee:

- A. Name URI, Inc.
B. Address 12377 Merit Drive, Suite 750 LB14
Dallas, TX 75251

II. Name of Mine: Kingsville Dome Mining Project

III. Standard Provisions

- A. Restoration Table
B. Control Parameter Upper Limits Table
C. Designated Monitor Well Table
D. Permit Area Map
E. Mining and Restoration Schedule
F. Plan View of Mine Area
G. Baseline Water Quality Table

CONTINUED on Pages 2 through 10.

The permittee is authorized to conduct injection activity in accordance with limitations, requirements, and other conditions set forth herein. This Authorization is granted subject to the provisions of Permit No. UR02827. This Authorization is valid until amended or revoked by the Commission.

APPROVED, ISSUED AND EFFECTIVE this 12th day of April, 1988.

ATTEST:

Karen A. Phillips

[Signature]
For the Commission

IV. Special Provisions

A. Restoration Demonstration - The permittee shall complete one or more restoration demonstrations within 18 months of the date on which mining commences. The demonstration shall include the following:

1. An isolated restoration demonstration pattern, completed in a Production Area, constructed to the same basic configuration as the proposed production well field pattern, and operated under the same conditions as the proposed mining procedures.
2. Leaching of the pattern will be run for at least 3 months under commercial activity conditions using leaching agent concentrations equal to or greater than is expected to be required for production.
3. After leaching phase, a complete chemical description of the produced fluid will be obtained and a demonstration of a restoration will be initiated.
4. Brine concentrate will be discharged to a disposal well or contained in on-site tankage until it can be disposed of at an authorized site.
5. Sample analysis of fluids will be completed at least every week during the restoration demonstration to allow observation of the concentration of various restoration parameters. The permittee shall compile monthly reports based on the weekly sampling. These progress reports shall be submitted to the Director, Water Rights and Uses Division of the Texas Water Commission biannually.
6. Restoration will continue until the ground water is restored to levels consistent with baseline.
7. With each progress report, the operator will calculate and submit the volume of ground water affected. Factors to be considered include: areal extent, formation thickness, and porosity. Upon the completion of the restoration demonstration, submit the data, analysis, and conclusions in a final report.
8. Authorization for expansion of mining into additional Production Areas will be contingent upon the results of the restoration demonstration within the 18 month period.

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SYSTEM 200

B. Non-Production Zone Monitor Wells

1. Non-Production Zone Monitor Wells shall be completed in the second overlying ("E Sand") and first underlying ("AA Sand") aquifers in this production area. These monitor wells shall be tested for water level fluctuations every three months during injection operations.
2. The procedure to be used in testing for water level fluctuations is subject to Commission approval. The results of these water level measurements shall be submitted to the TWC Central Office on March 1st, June 1st, September 1st, and December 1st of each year.
3. If a Monitor Well in one of these aquifers exhibits water level fluctuations that demonstrates hydrologic communication between the Production Zone and one of these aquifers, the permittee shall determine if and to what extent leaching solutions are present in affected aquifers and effect clean-up in accordance with 31 TAC Section 331.106. Under such circumstances, corrective action reports shall be submitted monthly to the Director, Water Rights and Uses Division, in Austin.

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ATTACHMENT A
RESTORATION TABLE

<u>Parameter</u>	<u>Unit</u>	<u>Concentration</u>
Calcium	mg/l	20.8
Magnesium	mg/l	5.1
Sodium	mg/l	344
Potassium	mg/l	7.67
Carbonate	mg/l	38
Bicarbonate	mg/l	268
Sulfate	mg/l	204
Chloride	mg/l	234
Fluoride	mg/l	0.56
Nitrate-N	mg/l	0.75
Silica	mg/l	17.9
pH		8.74
TDS	mg/l	997
Conductivity	umhos	1717
Alkalinity	Std. Unit	272
Arsenic	mg/l	0.005
Cadmium	mg/l	0.01
Iron	mg/l	0.04
Lead	mg/l	0.02
Manganese	mg/l	0.01
Mercury	mg/l	0.001
Selenium	mg/l	0.007
Ammonia	mg/l	1.06
Molybdenum	mg/l	0.06
Radium 226	pCi/l	21.63
Uranium	mg/l	0.164

ATTACHMENT B

CONTROL PARAMETER UPPER LIMITS TABLE

<u>CONTROL PARAMETER</u>	<u>PRODUCTION ZONE</u>
Conductivity (umhos)	2625
Uranium (mg/l)	5.927
Chloride (mg/l)	440
<u>CONTROL PARAMETER</u>	<u>First Overlying ("D Sand") NON PRODUCTION ZONE</u>
Conductivity (umhos)	2400
Uranium (mg/l)	5.091
Chloride (mg/l)	354

ATTACHMENT C
DESIGNATED MONITOR WELL TABLE

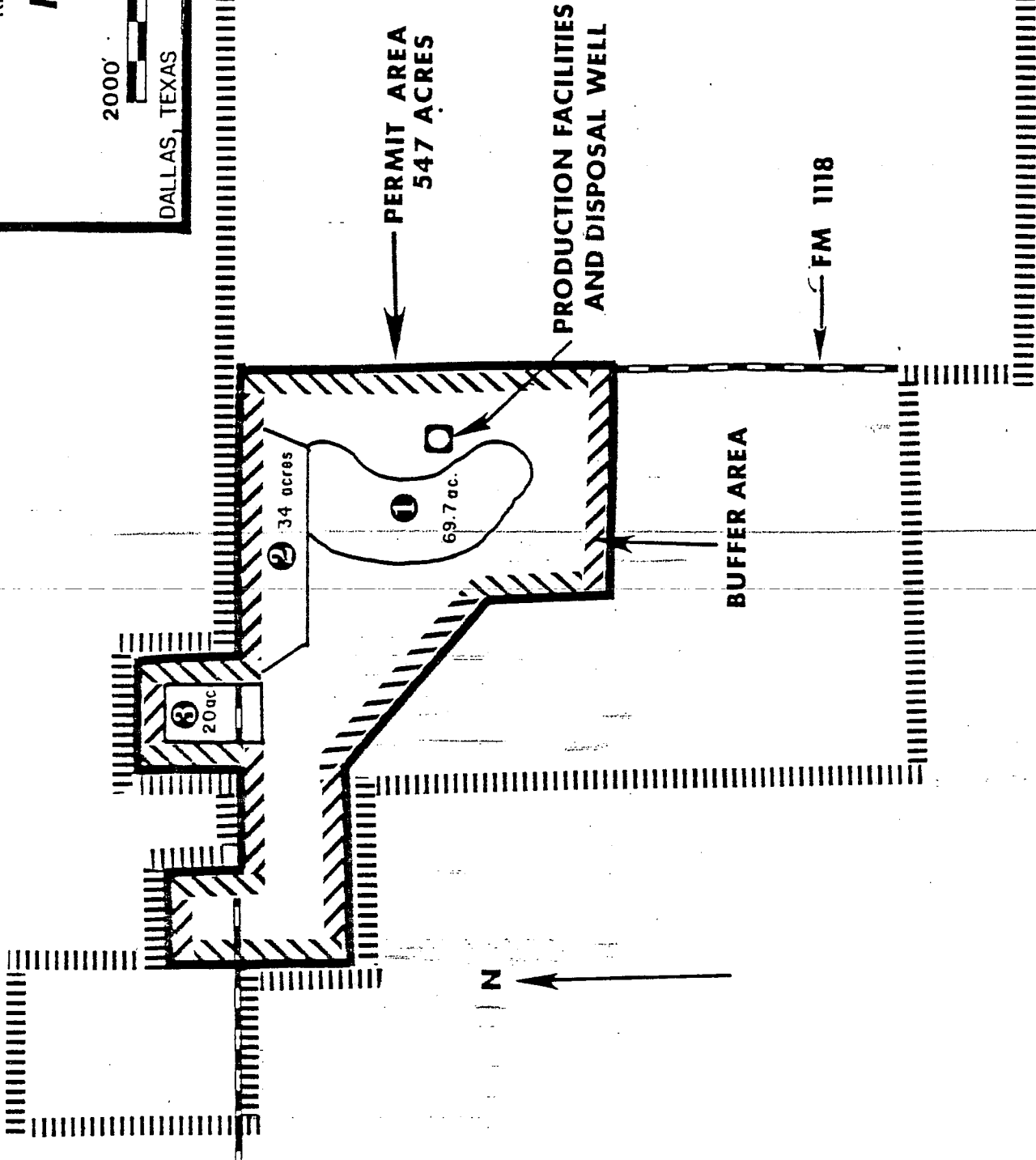
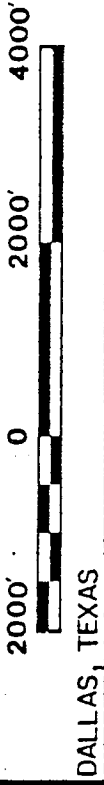
<u>Production Zone</u>	<u>Non-Production Zones</u>		
	<u>First Overlying</u>	<u>Second Overlying</u>	<u>First Underlying</u>
MW1	1D	E-1	1AA
MW2	2D	E-2	2AA
MW3	3D	E-3	3AA
MW4	4D	E-4	4AA
MW5	5D	E-5	5AA
MW6	6D	E-6	6AA
MW7	7D	E-7	7AA
MW8	8D	E-8	8AA
MW9	9D		
MW10	10D		
MW11	11D		
MW12	12D		
MW13	13D		
MW14	14D		
MW15	15D		
MW16	16D		
MW17	17D		
MW18			
MW19			
MW20			
MW21			
MW22			
MW23			
MW24			
MW25			
MW26			
MW27			
27	17	8	8

ATTACHMENT D

KINGSVILLE DOME

KLEBERG COUNTY, TEXAS

MINE PLAN



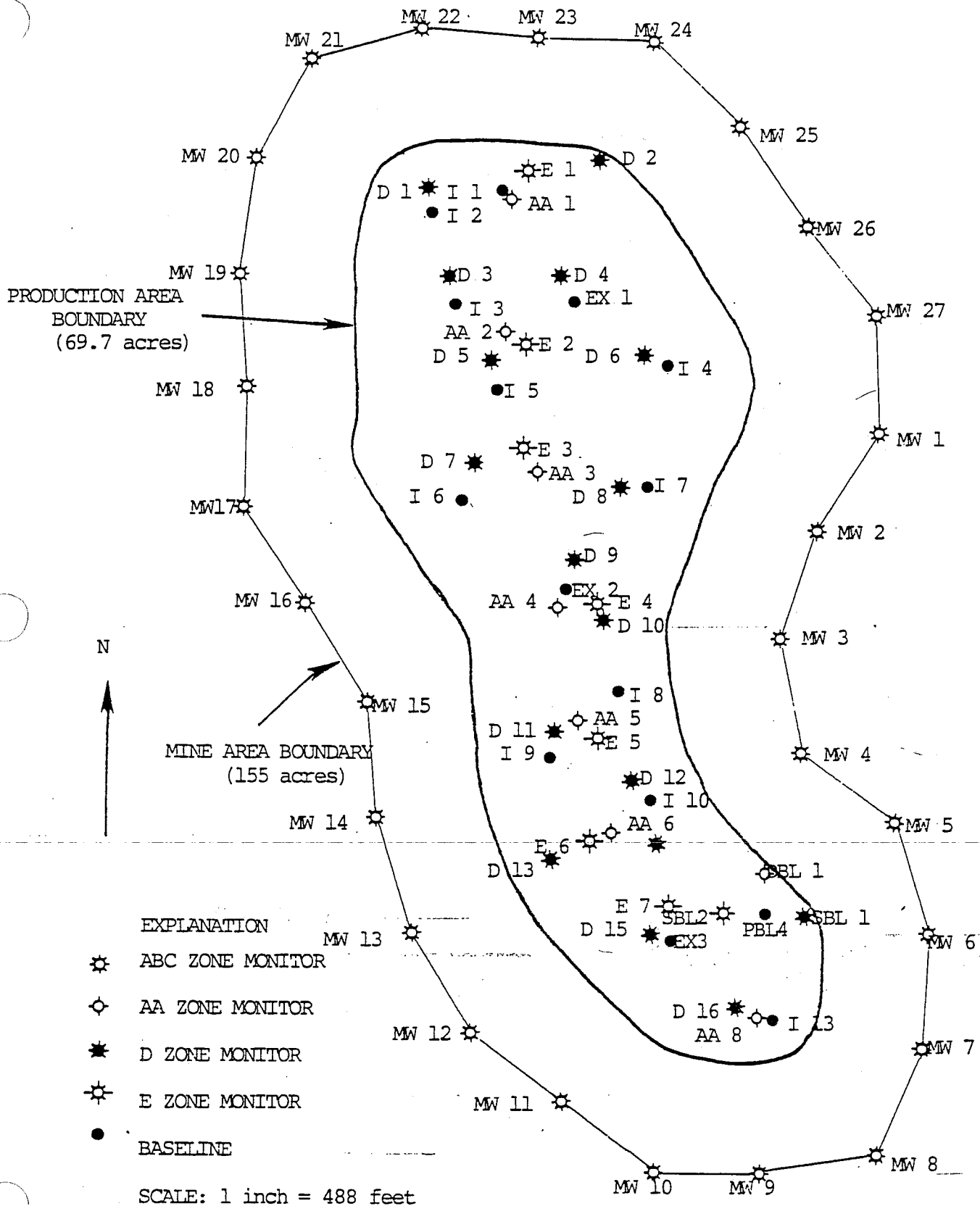
ATTACHMENT E

MINE PLAN SCHEDULE

	1988	1989	1990	1991	1992
Area 1	JFMAMJJASOND 0000000000	JFMAMJJASOND IIIIIIIIII	JFMAMJJASNOD IIIIIIIXXXXXX	JFMAMJJASOND XXX	JFMAMJJASOND
Pilot	000XXX				
Area 2		000	000000000000	000XXXXXXXXXX	
Area 3			000000	000000000000	XXXXXXXXXX

EXPLANATION:

- 0 - Produce
 I - Combination Production in northern portion of wellfield and
 Restoration in southern portion of wellfield.
 X - Restoration



GROUNDS WATER ANALYSIS REPORT SUMMARY And
BASELINE WATER QUALITY - In Situ Mining

Company: URANIUM RESOURCES
Mine Name: KINGSVILLE DOME
Mine Area: PRODUCTION AREA No. 1
Date Summarized: 11-20-87

	PARAMETER	UNIT	NON PRODUCTION ZONE**			PRODUCTION ZONE						WELL I.D. BY AREA*		
						MINE AREA**			PRODUCTION AREA			NON PROD. ZONE	PROD. ZONE	
						Low	Average	High	Low	Average	High		Mine	Product.
1	Calcium	mg/l	1.59	9.2	223	5.15	20.8	29.3	10.1	17.8	23.4	1D	MW1	1EX
2	Magnesium	mg/l	.26	3.2	504	3.81	5.0	6.07	2.8	5.1	6.2	2D	MW2	2EX
3	Sodium	mg/l	325	376	412	311	326	346	316	344	349	3D	MW3	3EX
4	Potassium	mg/l	2.76	5.7	124	472	6.8	893	5.85	7.67	12.1	4D	MW4	1I
5	Carbonate	mg/l	21	41	67	9	33	65	0	38	71	5D	MW5	2I
6	Bicarbonate	mg/l	230	411	501	142	268	343	212	255	335	6D	MW6	3I
7	Sulfate	mg/l	23	90	158	187	204	257	81	197	239	7D	MW7	4I
8	Chloride	mg/l	224	252	283	196	212	259	212	234	352	8D	MW8	5I
9	Fluoride	mg/l	.66	.777	.92	.49	.55	.65	.49	.56	.63	9D	MW9	6I
10	Nitrate - N	mg/l	<.08	5.71	16.2	<.02	.75	2.3	<.02	.29	1.71	10D	MW10	7I
11	Silica	mg/l	15.0	17.2	20.4	16.0	17.7	19.7	9.1	17.9	20.1	11D	MW11	8I
12	pH		8.45	8.82	9.40	8.27	8.74	9.50	7.82	8.6	8.91	12D	MW12	9I
13	TDS	mg/l	880	995	1170	880	954	1110	944	997	1050	13D	MW13	10I
14	Conductivity	µmhos	1530	1703	1920	1549	1616	1730	1580	1717	2100	14D	MW14	11I-16I
15	Alkalinity	Std. unit	228	407	469	219	271	306	205	272	338	15D	MW15	12I
16	Arsenic	mg/l	<.001	.001	.016	<.01	.004	.02	.001	.005	.022	16D	MW16	13I
17	Cadmium	mg/l	<.01	.01	.08	<.01	.01	.03	<.01	.01	.03	17D	MW17	
18	Iron	mg/l	<.01	.06	.30	<.01	.01	.02	<.01	.04	.26		MW18	
19	Lead	mg/l	<.02	<.02	<.02	<.01	<.02	.01	<.01	<.02	<.02		MW19	
20	Manganese	mg/l	<.01	<.01	<.01	<.001	.01	.03	<.001	.01	.03		MW20	
21	Mercury	mg/l	<.0002	.001	.03	<.001	<.001	<.001	<.0002	<.001	.01		MW21	
22	Selenium	mg/l	<.001	.001	.009	<.001	.005	.032	<.001	.007	.072		MW22	
23	Ammonia	mg/l	<.01	.105	.29	.02	.46	6.25	<.01	1.06	13.0		MW23	
24	Uranium	mg/l	.001	.01	.091	.002	.057	.34	.008	.164	.927		MW24	
25	Molybdenum	mg/l	<.01	.01	.05	<.01	.01	.09	<.01	.06	.20		MW25	
26	Radium 226		<.1	.67	2.68	<.18	10.64	202	.66	21.63	47.6		MW26	
													MW27	

* LIST THE IDENTIFICATION NUMBERS OF WELLS USED TO OBTAIN THE LOW, AVERAGE AND HIGH VALUES.

** MONITOR WELLS