Uranerz
ENERGY CORPORATION

May 4, 2010

Mr. Ron Linton, Project Manager
U.S. Nuclear Regulatory Commission
Office of Federal and State Materials and Environmental Management Programs
Mail Stop T-8F5
11545 Rockville Pike
Rockville, MD 20852-2738

Re: Uranerz Energy Corporation Nichols Ranch ISR Project Source Material License Application Responses to the Wyoming Department of Environmental Quality – Land Quality Division Third Consolidated Technical Review.

Dear Mr. Linton,

Attached to this letter is Uranerz Energy Corporations responses to the Wyoming Department of Environmental Quality – Land Quality Division (WDEQ-LQD) Third Consolidated Technical Review dated January 6, 2010. The responses address the comments that the WDEQ-LQD had concerning technical aspects of the Uranerz Energy Corporation Nichols Ranch ISR Project Permit to Mine Application.

If you have any questions regarding the provided responses, please contact me at 307-265-8900 or by email at mthomas@uranerz.com

Sincerely,

Michael P. Thomas
Environmental, Safety, and Health Manager
Uranerz Energy Corporation

Attachments

USA OPERATIONS
P.O. Box 50850 T: 307 265 8900
1701 East E Street F: 307 265 8904
Casper WY 82605-0850

CANADA OPERATIONS
Suite 1410 T: 604 689 1659
800 West Pender Street F: 604 689 1722
Vancouver BC V6C 2V6

American Stock Exchange: URZ
Toronto Stock Exchange: URZ
Frankfurt Exchange: U9E
www.uranerz.com

Uranerz
ENERGY CORPORATION

May 4, 2010

Mr. Glenn Mooney
Project Manager
Department of Environmental Quality – Land Quality Division
1866 S. Sheridan Ave
Sheridan, WY 82901

Re: 3rd Consolidated Completeness Review Responses

Dear Mr. Mooney,

Attached to this letter are Uranerz Energy Corporations responses to the Wyoming Department of Environmental Quality – Land Quality Division (WDEQ-LQD) Third Consolidated Technical Review dated January 6, 2010. The responses address the comments that the WDEQ-LQD had concerning the technical aspects of the Uranerz Energy Corporation Nichols Ranch ISR Project Permit to Mine Application. All information to address the comments is enclosed, with index sheets, for revision and insertion into the Nichols Ranch ISR Project Permit to Mine application.

Additional information that was not part of the Third Consolidated Review has also been provided. The additional information is as follows:

- Appendix D3 – The entire appendix was updated to reflect changes in the text and exhibit as a result of responses to NRC comments. One item to note is that the appendix now contains additional mitigation measures for the Pumpkin Buttes TCP.

- Water levels and water quality results tables and figures in Appendix D6 were updated to reflect the most current information available.

- Two tables reflecting the status of mechanical integrity testing of wells used in baseline groundwater data collection are included to be inserted into Mine Plan Addendum MP-D.

- Additional information applicable to 2nd Consolidated Review Comment 105-M is included. The response was acceptable to the DEQ, but because of a comment by the NRC, part of the response has changed. Uranerz is providing the WDEQ-LQD with the additional information that was provided to the NRC because it did change the original WDEQ-LQD response and also changed the way Uranerz will be handling Mechanical Integrity Testing.

- A new 4 inch binder has been provided to be used for Volume IIIa. Because of the 3rd Consolidated Technical Review responses, Volume III has become full. Addendums D6J, D6K, and D6L need to be moved to Addendum IIIa along with the figures and exhibits in the current Volume IIIa in order to accommodate all Appendix D6 material.

USA OPERATIONS
P.O. Box 50850 T: 307 265 8900
1701 East E Street F: 307 265 8904
Casper WY 82605-0850

CANADA OPERATIONS
Suite 1410 T: 604 689 1659
800 West Pender Street F: 604 689 1722
Vancouver BC V6C 2V6

American Stock Exchange: URZ
Toronto Stock Exchange: URZ
Frankfurt Exchange: U9E
www.uranerz.com

If you have any questions regarding the provided comments and information, please contact me at 307-265-8900 or by email at mthomas@uranerz.com

Sincerely,

Michael P. Thomas
Environmental, Safety, and Health Manager
Uranerz Energy Corporation

Attachments
Encl.

cc: Jerry Queen – BLM Buffalo Field Office
Ron Linton – Nuclear Regulatory Commission, Project Manager, Rockville MD (letter and responses only)

USA OPERATIONS
P.O. Box 50850 T: 307 265 8900
1701 East E Street F: 307 265 8904
Casper WY 82605-0850

CANADA OPERATIONS
Suite 1410 T: 604 689 1659
800 West Pender Street F: 604 689 1722
Vancouver BC V6C 2V6

American Stock Exchange: URZ
Toronto Stock Exchange: URZ
Frankfurt Exchange: U9E
www.uranerz.com

Uranerz Energy Corporation
Responses to 3rd Consolidated Review Dated January 6, 2010
For the Nichols Ranch ISR Project

3rd Consolidated Review Uranerz Responses

Continuity

Volume V, Reclamation Plan, Section 2.2, Page RP-12

The last sentence on this page cuts off mid-sentence and is not continued on the following Page RP-13. The Index of Changes does not show a revised Page RP-13 was submitted.

Please correct. (GM)

URZ Response:

After consultation with the DEQ on this issue, page RP-13 will be re-submitted.

Technical Review

Adjudication

24. Reclamation Performance Bond

An acceptable bonding instrument must be submitted prior to permit approval. (DH)

URZ Response:

As stated in previous responses, an acceptable bonding instrument will be submitted to the DEQ prior to permit approval.

Comments – Glenn Mooney March 31, 2009 Review

Adjudication

1-G. Appendix C – Legal Description of Proposed Permit Area

b. The acreages for Section 31 now add up correctly, according to the acreages listed on the BLM Master Title Plat. However, there is a typographical error on Page C-4 for Sections 31 and Section 5. Lots 13-20

which belong in Section 31 appear on the same line as the tracts belonging to Section 5.

Please correct. (GM)

URZ Response:

This was a formatting issue and has been corrected on page C-4.

c. Uranerz is correct in that Lot 10 on Page A-9 is described correctly. However, on Page C-15, Lot 10 is described as the SW¼NW¼ when it should be the SE¼NW¼ of Section 31. A replacement Page C-14 was supplied but a corrected Page C-15 is needed instead.

Please correct. (GM)

URZ Response:

The description of Lot 10, Section 31 was in error. However, Lot 10 has been located with unpatented mining claims subsequent to the filing of the original application, and no longer belongs in the No Right To Mine section. It is now shown in the Right To Mine section. Page C-8 has been revised to reflect the change.

d. Section C-2, Right to Mine and Section C-3, No Right to Mine Claimed

Uranerz has explained its reasons for listing certain lots in Section 31 in both the sections of Appendix C for right-to-mine and no-right-to-mine are that Uranerz's mining claims do not fully cover all portions of these lots. If that is the case, Uranerz should list the names of the claims which it holds and forego the less precise listings by lots.

Failure to list a precise description of the lands to be mined leaves this application extremely vulnerable to objection of the permit approval by the other mineral owners.

Please correct. (GM)

URZ Response:

The three lots affected by the above question are Lots 12, 13, and 20 in Section 31. Pages C-15 and C-18 have been modified to list the claims that fall into those Lots.

e. Section C-3, No Right to Mine Claimed

i. The NW¼SE¼ of Section 7, T.43., R.75W is listed on Page C-16 of this section, but the southern-most end of the Hank well field is depicted on Figure 1-8 as located in this tract. Uranerz stated that they are aware that they have no right-to-mine for this tract. They have modified Figure 1-8 by moving the monitor well ring to the north, but the Figure still shows that wellfield extending into this area but outside the monitor well ring. This is unacceptable. Please remove the depiction of the well field outside the monitor well ring.

Please correct. (GM)

URZ Response:

Figure 1-8 of the Mine Plan has been corrected.

ii. The NE¼NE¼ (Lot 5) Section 31, T.44N., R.75W. listed on Page C-14 of this section and the NW¼NE¼ (Lot 6) Section 31, T.44N., R.75W. listed on Page C-15 of this no-right-to-mine section but the northern end of the Hank well field is depicted on Figure 1-8 as being located in these tracts.

Uranerz states they understand that they understand that they have no right-to-mine for Lot 5 and will not mine it. However, Figure 1-8 still shows Lot 5 inside the wellfield. This is not acceptable; please remove the well field from Lot 5.

Uranerz replied that they now have a mining claim in Lot 6 so they will be removing Lot 6 from the Appendix C section where no right-to-mine is claimed and listing it in the right-to-mine section of Appendix C. Lot 6 is still listed on Page C-18 of the no-right-to-mine section, however.

Please provide the corrected pages and a revised Figure 1-8. (GM)

URZ Response:

Figure 1-8 has been modified accordingly and the appropriate pages in Appendix C (pages C-8 and C-18) have been modified as well to not only reflect the correct legal description but also the correct acreages.

Restoration and Reclamation Plan

9-G. Section 2.2, Wellfield, Page RP-12

This section has been revised to reflect that removal of well heads, wellfield piping and other equipment will be begun only after both the WDEQ/LQD and the NRC have given Uranerz approval of the wellfield restoration. Only then will abandonment of the wellfield begin. However, text in this revised section cuts off mid-sentence. The following page, RP-13, starts off with a new section. The Index of Changes does not show that a revised Page RP-13 was submitted

Please correct. (GM)

URZ Response:

After consultation with the DEQ on this issue, page RP-13 will be re-submitted.

13-G. Bond

v. Transferability of Agreement with Licensed Disposal Area

Uranerz has agreed to make the agreement with the owner of the Licensed Disposal site transferable to the State of Wyoming and the NRC so that in the event the State or the NRC has to assume reclamation liability, they can dispose of material at the same rate as negotiated by Uranerz.

Please provide evidence of the transferability of this agreement.

URZ Response:

Uranerz is in the process of obtaining an agreement with a licensed disposal site. Uranerz agrees to have this agreement in place and

available for review to both the WDEQ and NRC before operations can begin.

Appendix D-5 Geology

14-M. Exhibit D5-a, Preliminary Surface Geology Map: For clarity please revise this exhibit and its legend by illustrating all of the Wasatch Formation in the same color (i.e. tan). **(MT)**

URZ Response:

Exhibit D5-a has been revised to show the Wasatch Formation as all the same color.

Appendix D-6, Hydrology

48-M. Please revise Exhibit D6-2 to show well BR-T as a domestic well rather than a monitoring well. Enl. Cuisine CS Federal #2 is shown on Exhibit D6-1 but not listed on Table D6G.1-1, please correct. Well 6 and BC-1A are listed on Table D6G.1-1 but not shown on Exhibit D6-1, please correct. Taylor Federal Johnson PR8MW01 and MW02 are shown on Exhibit D6-1 but not listed on Table D6G.1-1, please correct. Well BT-T is listed on Table D6G2.2 but not shown on Exhibit D6-2, please correct. Well NBHW-13 is listed in Section 13 but shown in Section 25, please correct. Well M9 is listed in Section 18 but shown in Section 19, please correct. Well Block #2, Well Block #4, Dry MW1, Dry MW3, and Pumpkin Butte Shannon Unit H2O Source Well are shown on Exhibit D6-2 but not listed on Table D6G.2-2, please correct. There are duplicate well names on Table D6G.2-2, please correct. **(MT)**

URZ Response:

Exhibit D6-2 has been revised to show well BR-T as a domestic well. Enl. Cuisine CS Federal #2 is now listed in Table D6G.1-1. Well 6 and BC-1A are now shown on Exhibit D6-1. Taylor Federal Johnson PR8MW01 and MW02 are now listed in Table D6G.1-2. After a search of the SEO database, there is no well known as BT-T. Any reference to this well has been removed from Table D6G.2-2. Well NBHW-13 is correctly located in Section 25 of Exhibit D6-2. Table D6G.2-2 has been revised to show that NBHW-13 is located in Section 25. Well M9 has been moved to Section 18 on Exhibit D6-2. Well Block #2, Well Block #4, and Pumpkin Butte Shannon Unit H2O Source Well have been added to Table D6G.2-2. Dry MW1 and Dry MW3 do not exist in the SEO database. These wells are believed to be installed as part of the BLM monitoring network of

CBM activity. They more than likely were installed by a CBM operator. All duplicates of well names in Table D6G.2-2 have been removed.

49-M. Addendum D6D, page D6D.3-1a, paragraph 2: Please revise text so that "Figure D6-8e" reads "Figure D6-8b". **(MT)**

URZ Response:

The text error stating Figure D6-8e has been changed to Figure D6-8b.

55-M. Section D6.4, Water Rights: The information regarding the Nichols Ranch well is appreciated. Please investigate into where the Pumpkin Butte Ranch house gets or historically got its domestic water supply and provide a discussion in the text. **(MT)**

URZ Response:

The water source for the Pumpkin Buttes Ranch, located approximately 1.1 miles east of the Hank Unit permit area, is currently being supplied by a new well that was drilled sometime in 2008/2009 according the landowner. This well is approximately 500 feet deep, completed between 400 and 480 feet placing it in the G Sand, and is located at the ranch house. The land owner also stated that there is another well present at the ranch near the current well that can be used as a back up well. The landowner did not know the depth of the well, it is not listed in the SEO database, and the landowner did not remember when it was drilled, but did state that the well had been there for sometime.

56-M. Section D6.5, Exploration Drill Holes: Given that numerous historical drillholes on the Nichols Ranch and Hank areas were drilled prior the Wyoming Environmental Quality Act and the subsequent creation of the Abandoned Drillhole Program and LQD's lack of capability to verify downhole abandonment on all but a handful of opportunistic drillholes, Uranerz should provide a commitment to locate and excavate via a backhoe some number of the historical drillholes at LQD's choosing in order to demonstrate the presents or absence of adequate downhole sealing as to prevent communication between aquifers. **(MT)**

URZ Response:

Inspections for the presence of any historic drill holes that may not have been abandoned or sealed properly have been and are being conducted for the Nichols Ranch ISR Project. These inspection have occurred during current Uranerz drilling activities as well as when drill hole reclamation

has been conducted. To date no historic drill holes have been found that were not properly sealed.

62-M. Table D6-5, Summary of Aquifer Properties for Hank Unit, pg. D6-19: The aquifer thickness is shown at 18 feet for well BR-G for the single well tests; however, the aquifer thickness is shown at 91 feet for this well on the multi-well tests. Please investigate and explain/correct calculations and table accordingly. **(MT)**

URZ Response:

Experience has shown that the aquifer thickness for multi wells is typically an average condition weighted more closely to the pumping well. Uranerz thinks the most appropriate thickness for a multi-well pump test is the thickness of the sand at the pumping well. Therefore, all of the wells for the URZHF-5 multi-well pump test list an aquifer thickness of 91 feet.

Mine Plan

95-M. Mine Plan, General: Mr. Thomas' cover letter of October 10, 2009 states "Additional information regarding the hydrologic modeling and site specific pump testing is still being collected and analyzed and will be submitted to the WDEQ-LQD upon completion". Based upon these modeling results Uranerz will need to add specific discussions providing clear assessments of the impact to water resources (i.e., water quantity and quality) within the permit area and on adjacent lands during mining and reclamation. These assessment must discuss what may be reasonably expected and provide mitigation plans (ref: W.S.§35-11-428(a)(iii)(E). At a minimum Uranerz will need to provide maps which illustrate the projected drawdown expected during the first year of operation as wells as the potential life-of-operation drawdown (5-foot contour intervals) in the production ore sand forth initial well fields at the Nichols and Hank units. These maps will need to be referenced in the discussions in paragraph 2 on page MP-17a. Also see Comment 109-M. ***(MT)***

URZ Response:

Please see response to Comment 109-M.

100-M. Mine Plan: Please provide tabs for Addendum MP-E and MP-F. Item 5 of EXP-SOP-01 should be revised to contain a provision to allow the abandonment sealant material to subside for a minimum of 24-hours and then adding additional sealant to the hole on an as needed basis prior to installing a surface cap. This provision would help to ensure that the shallowest aquifers are adequately sealed. **(MT)**

URZ Response:

Tabs for Addendum MP-E and MP-F have been included with these responses. Item 5 of EXP-SOP-01 Addendum MP-E, Exploration Hole and Well Pilot Hole DNC, has been modified to state, "allow the abandonment sealant material to subside for a minimum of 24-hours and then add additional sealant to the hole on an as needed basis prior to installing a surface cap." This provision helps ensure that the shallowest aquifers are adequately sealed.

The following comment was part of the 2nd Consolidated Review by the WDEQ-LQD. The response was acceptable to the DEQ, but because of a comment by the NRC, part of the response has changed. Uranerz wanted to provide the WDEQ-LQD with the additional information that was provided to the NRC because it did change the original WDEQ-LQD response and also changed the way Uranerz will be handling MIT.

105-M.Mine Plan, Section 3.3.2, Injection Pressures, pg. MP-10: Uranerz should perform a series of actual injection tests using water to determine the actual fracture pressures of the A sand, F sand and any deep disposal sands rather than using a calculated estimate number. **(MT)**

URZ Response from 2nd Round Questions:

Per conversations with the WDEQ on May 27, 2009, Uranerz response follows. Using a conservative fracture gradient of 0.45 psi/ foot of depth, the following range for maximum injection pressures is shown: (600 ft X 0.45 psi/foot = 270 psi) to (375 ft X 0.45 psi/foot = 168 psi). The range of 270 psi to 168 psi is greater than the maximum injection pressure ratings for the casing that Uranerz will use, 150 psi. Therefore no field injection pressure tests are proposed.

URZ Addition for 3rd Round Questions:

The injection pressures for the Class III wells for the Nichols Ranch Unit and the Hank Unit will be calculated to assure the pressure in the production zones do not generate new fractures or spread existing fractures. Uranerz Energy Corporation will operate the Class III wells in a manner that the injection pressure will be lower than the calculated pressure that could fracture the confining zone, or cause the injection fluid to migrate to unauthorized zones. The injection pressure for the Nichols Ranch Unit and Hank Unit will be no greater than 60% (range – 38% to

60%) of the formation fracture pressure and will not exceed the pressure rating of the casing.

Search of published fracture gradient information resulted in selecting a conservative fracture gradient of 0.80 psi/ foot of depth, for reservoir rock formations of 2000 feet in depth or less. The following range for maximum injection pressures are: average depth for Nichols Ranch (600 ft X 0.80 psi/foot = 480 psi) and average depth for Hank (375 ft X 0.80 psi/foot = 300 psi). The range of 480 psi to 300 psi is greater than the maximum injection pressure ratings for PVC casing that Uranerz intends to use. The maximum operating pressure rating for SDR 17 casing is 180 psi and for SDR 21 casing (if used would only be at Hank) is 130 psi. MIT testing will be conducted at the maximum operating pressure of the installed casing. The casing pressure rating therefore will be the limiting factor and maximum injection pressure would be 180 psi if SDR 17 is in use and 130 psi if SDR 21 is in use. At Nichols Ranch 180 psi is 38% of the formation fracture pressure and for Hank is 60% of the formation fracture pressure.

109-M.Mine Plan, Section 3.3.5, Proposed Injection Procedure, pg. MP-12, para.1: Uranerz must provide groundwater potentiometric maps which illustrate the projected drawdown expected during the first year of operation as wells as the potential life-of-operation drawdown (5-foot contour intervals) in both the A sand and F sand aquifers for the initial wellfields. **(MT)**

URZ Response:

The results of the numerical modeling for the Nichols Ranch Unit are presented in Addendum MPG. Figures MPG.1-6 and MPG.1-7 presents the drawdown and potentiometric surface maps for the A Sand at the end of 1 year of operation. Figures MPG.1-10 through MPG.1-13 present the potentiometric and drawdown at the end of operation of the Nichols Ranch Unit for three years.

Addendum MPH presents the numerical model results for the F Sand at the Hank Unit. Figures MPH.1-5 and MPH.1-6 present the piezometric map and drawdown at the end of 1 year of operation of wellfield #1 at the Hank Unit. The F Sand drawdown and the potentiometric map at the end of operation of the Hank wellfields are presented in Figures MPH.1-7 and MPH.1-8.

111-M.LQD awaits the presentation of a MODFLOW groundwater model. **(MT)**

URZ Response:

Numerical modeling is presented in Addendums MPG for the Nichols Ranch Unit and MPH for the Hank Unit.

114-M.Mine Plan, Section 3.4, Lixiviant Control: Please elaborate on why Uranerz feels that the 3% bleed at the Hank Unit will "control" the lixiviant in an unconfined aquifer. Please include literature reference or cast history if possible. **(MT)**

URZ Response:

The control of solutions at the Hank site will be easier to maintain than at the Nichols site due to the much larger storage value that exists in the unconfined F Sand at the Hank site. The piezometric surfaces from the numerical model simulations show that a steep gradient is developed in the unconfined aquifer due to the large storage value. These results are presented in Addendum MPH in Figure MPH.1-5 for after one year of operation, Figure MPH.1-10 after 120 days of operation and Figure MPH.1-13 after 30 days of operations. Each of these three piezometric surface maps show that for these varying time periods of pumping a steep piezometric surface has been developed adjacent to the Hank wellfield which will enhance the control of solutions adjacent to this well unit. The much smaller storage value for a confined aquifer allows the water-level heads to change much quicker and, therefore, allows for imbalances to affect reversals adjacent to a wellfield quicker than in the unconfined aquifer condition.

115-M.Mine Plan, Section 3.8, Repair and Abandonment of Wells: Please provide a commitment to abandon all wells using neat cement slurry or a high-solids bentonite grout (i.e., a minimum of 20% solids or 50# of bentonite in 23 gallons of water). **(MT)**

URZ Response:

Uranerz has modified Section 3.8, Repair and Abandonment of Wells, to include a commitment to abandon all wells using neat cement slurry or a high-solids bentonite grout (i.e., a minimum of 20% solids or 50# of bentonite in 23 gallons of water).

116-M.Mine Plan, Section 3.9, Wellfield Data Package: Uranerz has responded "The details of question 116-M will be addressed in a separate document between the WDEQ and Uranerz. LQD awaits this document. **(MT)**

URZ Response:

In a previous meeting held between Uranerz and the WDEQ-LQD on May 27, 2009, an agreement was reached that Uranerz would conduct more pump tests in the ore zone of the first mining units to further characterize the ore zone water quality. The Wellfield Data Package as defined in Section 3.9 of the Mine Plan of the Nichols Ranch ISR Project Permit to Mine Application would be submitted to the WDEQ-LQD after the Permit to Mine was issued.

To comply with the May 2009 agreement, a pump test plan to characterize the first mining units of the Nichols Ranch and Hank Units was submitted to the WDEQ-LQD on July 8, 2009 and approved on August 11, 2009. Four new pump tests, two for the Nichols Ranch Unit and two for the Hank Unit were then conducted in January/February 2010. The results and discussion of these tests are attached to these responses and are included in Appendix D6, Addendum B and Addendum C. Additionally, water samples are being collected from the new wells used for the pump tests to provide more water quality information in order to characterize the ore sand.

120-M.Mine Plan, Section 3.14.7.8.5.1, Data Collection: LQD's comment read "Uranerz must revise this text and commit to providing baseline water quality data for all aquifers (i.e., 1, A, B, C, F, G, H, and alluvium". Uranerz has responded "The details of question 120-M will be addressed in a separate document between the WDEQ and Uranerz. LQD awaits this document. **(MT)**

URZ Response:

In a previous meeting held between Uranerz and the WDEQ-LQD on May 27, 2009, an agreement was reached that Uranerz would conduct more pump tests in the ore zone to further characterize the ore zone water quality, but that the Wellfield Data Package as defined in Section 3.9 of the Mine Plan of the Nichols Ranch ISR Project Permit to Mine Application would be submitted to the WDEQ-LQD after the Permit to Mine was issued.

122-M. Mine Plan, Section 3.18.2, Annual Reporting, pg. MP-84b, paragraph 1: Please clearly commit to reporting all drillholes and wells. **(MT)**

URZ Response:

Section 3.18.2, Annual Reporting, pg MP-84b, paragraph 1: has been modified and URZ clearly commits to reporting all drillholes and wells.

123-M. Mine Plan, Addendum MP-B, Groundwater Model: Uranerz responded "A model using MODFLOW is being developed for the Nichols Ranch Unit and the Hank Units". LQD awaits this model. **(MT)**

URZ Response:

Uranerz has submitted the numerical modeling results in Addendums MPG for the Nichols Ranch Unit and MPH for the Hank Unit

Restoration and Reclamation Plan

145-M. Reclamation Plan, Section 1.6, Well Abandonment, pg. RP-10, Item #2: Please provide a commitment to abandon all wells using neat cement slurry or a high-solids bentonite grout (i.e., a minimum of 20% solids or 50# of bentonite in 23 gallons of water). **(MT)**

URZ Response:

Uranerz answered this question as part of the answer to Question 115-M. The text for Section 1.6, Well Abandonment, pg. RP-10, Item #2 has been modified to commit to abandon all wells using neat cement slurry or a high-solids bentonite grout (i.e., a minimum of 20% solids or 50# of bentonite in 23 gallons of water).

New Comments, Glenn Mooney January 6, 2009, Review

146-G. Figure 1-8, Hank Unit, Proposed Monitor Well Locations

The permit boundary depicted on this map does not run along the section lines which are the actual boundary, but have been shifted to the west, sometimes by hundreds of feet. Also, as discussed in Comment 1-G e.i above, portions of the wellfield extend outside the monitor well ring.

Please correct. (GM)

URZ Response:

Figure 1-8 has been revised and is included with these responses.

147-G. Completion of New Wells

Chapter 11, Section 11(b) requires that each Class III well will require submission of a notice of completion of construction for each well to the Administrator. The Administrator must then inspect or review the new injection wells and determine whether the well is in compliance with the permit. The Administrator only has thirteen (13) days to make this determination.

Also, EPA will require that digital data covering all Class III wells be incorporated into their GEM database. It is our intention to combine the well certification process and database population process into one procedure. Further information on this database, required format and procedures for certifying Class III wells will be forwarded as they are developed. (GM)

URZ Response:

Thank you for the information.

148-G. Reclamation Plan – Addendum A, Reclamation Surety Estimate

In a number of areas the where demolition of the plant buildings is discussed, the estimate uses a 50 mile distance to an approved landfill and a disposal cost of $15.00 per cubic yard.

In a January 5, 2009, discussion with Dale Anderson of the Solid and Hazardous Waste Division of DEQ, he offered the following information about the nearest landfills. The Edgerton landfill is about full and waste will soon be transferred to the Casper landfill. The Casper landfill is currently charging between $42.00 and $43.00 per ton. He said there is no room for disposal in the Kaycee landfill. The Buffalo landfill is a possibility but disposal costs there will run more than $50.00 per ton. Another possibility is the Gillette landfill which is currently charging $60.00 per ton, but will not accept out-of-county waste.

Please recalculate the disposal costs using more up-to-date disposal costs and mileages.

URZ Response:

Uranerz appreciates this comment from the WDEQ. The Surety Estimate for the Nichols Ranch ISR Project has been revised to reflect the potential increase in landfill disposal costs and transportation. Worksheets 2a, 5I, 5II, and 5III have been update to reflect a disposal cost of $\$65/yd^3$ and 75 miles for disposal. These numbers are based on the furthest and most expensive cost for landfill disposal.