



Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

August 11, 2010

Mr. Michael Thomas
Uranerz Energy Corporation
1701 East "E" Street
P.O. Box 50850
Casper, WY 82605-0850

**RE: Hank - Nichols Ranch In Situ Recovery Mining Permit Application,
TFN 4 2/284**

Dear Mr. Thomas:

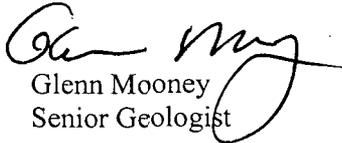
Enclosed is my review memo containing my comments from my review of the above-cited application. As noted in the memo, this reviews found that the application remains technically incomplete as per W. S. § 35-11-406(h), but only for want of the aquifer exemption determination from EPA. As my memo notes, LQD staff is currently working on the aquifer exemption application process.

If you have not already done so, I recommend that you begin making additional copies of the permit application. One copy will be required for submission to EPA and two other copies will be required to be filed with the County Clerks of Campbell and Johnson Counties. You will get the copies back from the County Clerks at the end of the public notice period.

Also, the reclamation bond instrument will need to be submitted near the end of the permit comment period.

If you have any questions concerning any comment in this memo, please feel free to contact me.

Sincerely,


Glenn Mooney
Senior Geologist

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Enclosure

Cc: Cheyenne File w/enc.
NRC-MD w/enc.

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Handwritten notes:
AMSSO1
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8/11/10



MEMORANDUM

To: File, Uranerz Energy Corporation's Nichols Ranch ISL Project, TFN 4 2/284
From: Glenn Mooney, Senior Geologist *GM*
Date: August 11, 2010
Subject: Sixth Technical Review

Introduction

On December 7, 2007, Uranerz Energy submitted an application under cover of Mike Thomas' letter of November 30, 2007, to conduct in situ recovery uranium mining. The proposed permit area covers 3,370.53 acres in Campbell and Johnson counties.

Fifth round technical review comments were sent to Uranerz under cover of my letter of July 23, 2010. A response package was received July 29, 2010, under cover of Mike Thomas' letter of July 28, 2010.

Those earlier comments not requiring responses have been eliminated.

Review

Index of Changes

An Index of Changes was provided with the July 28, 2010, submittal package.

Technical Review

Comments – March 31, 2009 Review

Adjudication

- A. Appendix C – Legal Description of Proposed Permit Area
 - e. Section C-3, No Right to Mine Claimed
 - ii. As noted previously, Uranerz has an agreement with the mineral owner of some lands adjacent to Uranerz's wellfield for installation of Uranerz monitor wells in those lands. The mineral owner did not consent to inclusion of that agreement into the permit document. As an alternative, an affidavit has been provided signed by George Hartman of Uranerz attesting to that agreement. A tabbed page for this document and any

JUSTICE
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possible future ones marked "Consents and Agreements" was provided to mark this section.

This is acceptable; no response is required.

Comments – January 6, 2010, Review

c. Reclamation Plan – Addendum A, Reclamation Surety Estimate

As noted previously, submittal of a reclamation bond in the amount of \$6,800,000.00 will be required prior to permit approval. This amount is rounded. This bond total was discussed with Mike Thomas and he is comfortable with the inclusion of groundwater restoration costs with the first year's bond although it is likely no groundwater will be affected during the first year.

Conclusions

Review of the application found that it is nearly technically acceptable as per W.S. § 35-11-406(h). The only item remaining is the aquifer exemption determination which must be obtained from EPA before the application can be determined technically complete and the public notice process can begin. This will allow the public notice requirement for the aquifer exemption be included in the public notice for the mining permit application.

Land Quality staff is currently working on the aquifer exemption application process.

/gm

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