



Department of Environmental Quality

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



Matthew H. Mead, Governor

John Corra, Director

April 28, 2011

Mr. Michael Thomas
Uranerz Energy Corporation
P.O. Box 50850
Casper, WY 82605-0850

Re: Hank Nichols Ranch Uranium In Situ Recovery Project, TFN 4 2/284, Permit No. 778

Dear Mr. Thomas:

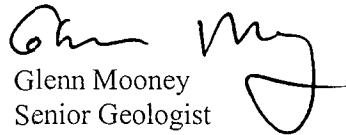
I have reviewed the first quarterly report for the Hank-Nichols ISL Project submitted under cover of your letter dated April 18, 2011.

I find that the report meets the requirements for quarterly reports as outlined in Land Quality Division NonCoal Rules and Regulations, Chapter 11, Section 15(b). As pointed out in your report since the NRC has not yet issued a license for this operation, Uranerz has been unable to drill any monitor or Class III wells. Thus, there has been no need or opportunity to conduct mechanical integrity tests.

Potentiometric surface data was provided from the existing baseline monitor wells. This was satisfactory. This closes out my review of this quarterly report.

Please feel free to call or write if you have any questions.

Sincerely,


Glenn Mooney
Senior Geologist

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Cc: Cheyenne file
NRC -- MD

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