



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

October 22, 2012

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

RE: Uranerz Energy Corporation
Final Permit 10-392, Hank-Nichols Class I Permit
Johnson and Campbell Counties, Wyoming

Dear Mr. Catchpole:

Attached please find one copy of the Class I UIC permit. This permit requires testing, reporting, and data submittal identified within the permit. The corresponding report forms can be filled out using our on-line webform (Monitor Reports Link), or one may have the lab submit them using Electronic Data Deliverable (EDD) at the following site: <https://gem.wqd.apps.deq.wyoming.gov/Default.aspx>

Some significant changes have been made to the original draft permit and are broadly identified as follows:

- ✓ Section A. Discharge zone, Table 5. The radius of the cone of influence was corrected to reflect the 20-year life of the well;
- ✓ Section I. Monitoring Requirements, Condition #4. You are reminded that a **sampling and analysis plan** must be submitted and approved by the Department prior to conducting any sampling;
- ✓ Section I. Monitoring Requirements, Conditions # 6, #7. For the first new well constructed, water quality and hydraulic head data is required from the Lance and Fox Hills Formations;
- ✓ Section M. Mechanical Integrity. A more appropriate Part I mechanical integrity test is required;

The underground injection control program was promulgated to prevent serious problems caused by direct discharges to the groundwater. Those problems included groundwater pollution leading to contamination in domestic water wells and serious health effects caused by exposures to toxic substances and water borne pathogens. Your cooperation with our program is sincerely appreciated.

Herschler Building • 122 West 25th Street • Cheyenne, WY 82002 • <http://deq.state.wy.us>

ADMIN/OUTREACH (307) 777-7758 FAX 777-7682	ABANDONED MINES (307) 777-8145 FAX 777-8462	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7369 FAX 777-8937	LAND QUALITY (307) 777-7758 FAX 777-5884	SOLID & HAZ. WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973
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If you have any questions please do not hesitate to contact Don Fischer at (307) 675-5640 or by email at don.fischer@wyo.gov

Sincerely,

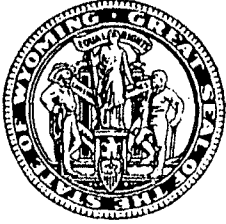


Kevin Frederick, P.G.
Manager, Groundwater Section
Water Quality Division

KDF/WDF/rm/12-0990

Enclosure: Permit 10-392

cc: Tom Michel, HydroEngineering, LLC., 777 Overland Trail, Suite 107, Casper, WY 82601-1319
Mike Thomas, Uranerz Corporation, 1701 East "E", P.O. Box 50850, Casper, WY 82605-0850
w/o enclosure
Nancy Nuttbrock, Administrator, Land Quality Division w/o enclosure
Don Fischer, Geological Supervisor, WQD, Sheridan w/o enclosure
John Passehl, Geological Supervisor, WQD, Cheyenne w/o enclosure



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

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

December 29, 2010

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

Dear Mr. Thomas:

Enclosed are copies of your approved commercial in situ recovery mining permit, license to mine and the approved bond. Permit No. 778 has been assigned to this project. Please refer to this permit number when discussing this project in future correspondence. Lexon Insurance Company bond no. [REDACTED] in the amount of Six Million, Eight Hundred Thousand Dollars (\$6,800,000) has been accepted by the division to ensure that your operation will comply with all requirements of the Environmental Quality Act and Land Quality Division Rules and Regulations.

A complete and updated copy of the permit must be maintained at the mine office and at the offices of the Land Quality Division in Cheyenne and Sheridan. Please make arrangements with Ramona Christensen of the Cheyenne LQD (777-7053) and Pat Seurer of the Sheridan LQD (675-5604), to make sure all permit application materials have been properly incorporated into the approved permit document. The incorporation of all new material should occur within four weeks of the date of this letter.

As the Land Quality Division staff has discussed with you, the following permit condition will be attached to the Form 1:

Uranerz Energy Corporation shall submit to the Land Quality Division a science based model supporting a groundwater reclassification boundary that is within the current LQD Chapter 11 rule requirement. Until this model is reviewed and approved by the LQD, the perimeter monitor well ring shall serve as the boundary.

A second permit condition to satisfy the WY Game and Fish Department regarding sage grouse is also included on the Form 1:

Uranerz Energy Corporation will consult with the Wyoming Game and Fish Department to revise MP 3.15.2.2 to include an annual sage grouse survey within two miles of the Nichols and Hank permit boundaries and shall then submit a permit revision to the Land Quality Division no later than six months after the permit approval date.

On or within thirty (30) days prior to the anniversary date of the permit, you will be required to submit an Annual Report to the District office. The appropriate forms will be sent to you at that time. Following your submittal of the report, the Sheridan District III staff will conduct an inspection of the operation.

Please contact the Department of Revenue, Herschler Building, Second Floor West, Cheyenne, WY 82002 (307-777-7961), for tax information.

If you have any questions, please contact me at (307-777-7046) or Glenn Mooney in the District III Office at 307-675-5615.

Sincerely,

Donald R. McKenzie
Administrator
Land Quality Division

DRM/gm

Enclosures:

cc: District III, NRC-MD, Lexon Insurance Co.

Herschler Building • 122 West 25th Street • Cheyenne, Wyoming 82002 • <http://deq.state.wy.us>

ADMIN/OUTREACH
(307) 777-7937
FAX 777-3610

ABANDONED MINES
(307) 777-6145
FAX 777-6462

AIR QUALITY
(307) 777-7391
FAX 777-5616

INDUSTRIAL SITING
(307) 777-7369
FAX 777-5973

LAND QUALITY
(307) 777-7756
FAX 777-5864

SOLID & HAZ. WASTE
(307) 777-7752
FAX 777-5973

WATER QUALITY
(307) 777-7781
FAX 777-5973



NOTE: DO NOT MODIFY THIS FORM. Use typewriter or print neatly in blue ink. Submit three (3) completed copies, one of which must be an original Form 1-UIC as supplied by the Department of Environmental Quality, Land Quality Division.

STATE OF WYOMING
DEPARTMENT OF ENVIRONMENTAL QUALITY
LAND QUALITY DIVISIONS
APPLICATION FOR
IN SITU PERMIT TO MINE
OR
AMENDMENT TO AN IN SITU PERMIT TO MINE

1. (a) Name, mailing address and telephone number of applicant: Uranerz Energy Corporation, PO Box 50850, 1701 East E Street, Casper, WY 82605-0850
307-265-8900

(b) If the applicant is a partnership, association or corporation (circle one) the names and addresses of all managers, partners and executives directly responsible for operations in this State:

Name: Glenn J. Catchpole Address: 1701 East E Street Casper, WY 82601
Title: President and CEO Phone No. 307-265-8900

Name: George Hartman Address: 1701 East E Street Casper, WY 82601
Title: Executive Vice President and COO Phone No. 307-265-8900

Name: Michael P. Thomas Address: 1701 East E Street Casper, WY 82601
Title: Environmental, Safety, and Health Manager Phone No. 307-265-8900

Name: _____ Address: _____
Title: _____ Phone No. _____

2. Name, address, and telephone number of the agent or person to whom any notice under the provisions of Wyoming Environmental Quality Act or Rules and Regulations adopted thereunder may be sent: Michael P. Thomas 1701 East E Street Casper, WY 82601 307-265-8900

3. Attach the following information as part of the specific appendices:

(a) APPENDIX "A"

Names and addresses of surface and mineral owners of record within the proposed permit (amendment) area.

(b) APPENDIX "B"

(i) Names and last known addresses of the owners of record of the surface rights of the lands immediately adjacent to the proposed permit (amendment) area.

(ii) Names and last known addresses of any other persons within one-half (1/2) mile having a valid legal estate of record.

(iii) For surface coal mining operations, the names and last known addresses of coal ownership immediately adjacent to the proposed permit (amendment) area.

NOTE: Appendices "A" and "B" shall each be accompanied by maps showing the ownership locations required by the respective appendices. Mapping of (b) (ii) is not required.

(c) APPENDIX "C"

(i) All lands to be included in the proposed permit (amendment) area shall be tabulated by legal subdivision, section, township, range, county, and municipal corporation, if any, and the number of acres for each subdivision listed.

(ii) Lands which are to be part of the proposed permit (amendment) area, for which no right to mine is claimed shall be identified in item (c) (i) above as such and tabulated separately listing the number of acres for each legal subdivision.

(iii) Lands which are located within other permit or license areas shall be identified and a copy of the agreement with the other permittee(s) shall be attached as part of this application.



2-17-2007

(iv) An original USGS topographic map, clearly outlining and identifying the lands to be within the proposed permit areas, shall be provided. Photo copies or other similar copies are not acceptable unless prior approval is obtained from the Land Quality Division.

(d) APPENDIX "D"

This appendix shall include a description of the land which shall include: Soils, vegetation, wildlife, and surface hydrologic information consistent with the extent and nature of the proposed surface disturbance including descriptions of the soil, indigenous wildlife, natural gamma radiation background for lands to be impacted by radioactive materials, the vegetative cover, meteorological information and a description of any surface water and adjudicated water rights within the proposed permit area or on adjacent lands; a description of the general geology including geochemistry and lithology of the permit area; a characterization of the production zone and aquifers that may be affected including applicable hydrologic and water chemistry data to describe the projected effects of the mining activities.

(e) APPENDIX "E"

A map or maps with the boundary of the proposed permit (amendment) area clearly outlined and identified showing:

- (i) The lands to be affected by the mining;
- (ii) The drainage area within and surrounding the proposed permit (amendment) area;
- (iii) The location and names, where known, of all roads, railroads, public or private rights-of-way and easements, utility lines, lakes, streams, creeks, springs, and other surface water courses, oil wells, gas wells, and water wells;
- (iv) An outline of the probable limits of all areas previously disturbed or to be disturbed by underground or subsurface mining, whether active or inactive, on or immediately adjacent to the proposed permit (amendment) area;
- (v) The names, last known addresses and boundary lines of the present surface landowners and occupants on the adjacent land to be affected;
- (vi) The location, ownership, and uses of all buildings on, or on lands adjacent to, the land to be affected;
- (vii) Information presented as part of APPENDIX "D" when necessary for clarification.

4. (a) Mineral(s) to be mined: Uranium

5. Estimated dates of commencement and termination of the proposed operation:

Start of Operation: June 2010 Termination of Operation: December 2020

6. The total number of acres in the proposed permit (amendment) area and an estimate of the total number of acres to be affected by the operation.

Permit Acres	Approved Acreage to Affect
Original Permit _____	Original Permit _____
Approved Amendments _____	Approved Amendments _____
This Application <u>3,370.53</u>	This Application <u>300</u>
Total Acres <u>3,370.53</u>	Total Acres <u>300</u>

7. The name, if any, by which the permit (amendment) lands or any part thereof are known: Nichols Ranch ISR Project

8. The nearest town or city: Wright, Wyoming

9. A filing fee of \$100.00 (\$200.00 for amendments) plus \$10.00 for each acre in the request permit (amendment) area. For any single permit (amendment) the maximum fee shall not exceed \$2,000.00.



10. For coal mining operations:

- (a) Each application shall contain the additional information as required in Chapter 3, Section 3 of the Land Quality Division Coal Rules and Regulations;
- (b) A certification that the applicant has a public liability insurance policy in force for the proposed mining and reclamation, as required by W.S. §35-11-406 (a) (xiii) and Land Quality Division Coal Rules and Regulations Chapter 12, Section 2.(i) and (j);
- (c) Right of entry to or inspection of any operation, premises, records or equipment shall not require advance notice;

Initial [Signature] Date 30 Nov. 2007

Permit No. 778
TFN No. 49/284

(d) A sworn statement that the applicant has paid the reclamation fee for this and all coal mining operations under the jurisdiction of P.L. 95-87 as required by Title IV of that law;

(e) A listing of all notices of violations required by W.S. §35-11-406(a) (xiv)

11. Plan or plans of the applicant, including maps, for the proposed mining operation and the reclamation of all affected lands as required by W.S. §35-11-428 and Chapter XI of the Land Quality Division Noncoal Rules and Regulations and Chapter 18 of the Land Quality Division Coal Rules and Regulations.

12. The provisions of the permit are severable, and if any provision of the permit, or the application of any provision of the permit, to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of the permit, shall not be affected thereby.

FINAL SWORN STATEMENT OF APPLICANT

State of Wyoming
County of Natrona) ss

I Glenn J. Catchpole being duly sworn on my oath that I am the applicant (or President or Vice President if the applicant is a corporation) for the foregoing mining permit update; that I have read the said application and fully know the contents thereof; that I further agree to be bound by all of the terms and conditions of the original permit and any amendments, revisions, or renewals thereof and accept all unfulfilled reclamation liabilities of the permit; that all statements contained in the permit update application are true and correct to my best knowledge and belief; by execution of this statement I certify that Uranerz Energy Corporation applicant, or entities controlled by or under common control with the applicant has the right and power by legal estate owned to mine from the land for which this permit update is desired; that applicant or entities controlled by or under common control with the applicant has not forfeited, or is not involved in forfeiture proceedings for, a bond posted for reclamation purposes; and if a surface coal mining application, that applicant or entities controlled by or under common control with the applicant has paid the reclamation fees for this and all coal mining operations under the jurisdiction of P.L. 95-87 as required by Title IV of that law; and that applicant or entities controlled by or under common control with the applicant has not had any Federal or State coal mining permits suspended or revoked in the five years preceding the date of this application; and by completion and submission of this application, hereby give consent to allow the Director, the Administrator and/or his authorized representatives, at reasonable times and upon presentation of appropriate credentials, to enter upon and have access to any and all lands covered by this permit and amendments thereto and to inspect and copy any records or documents, obtain or monitor any samples or sampling, for any activities associated with the operation and permit.

Dated this 30 day of NOVEMBER, 2007

(Corporate Seal)

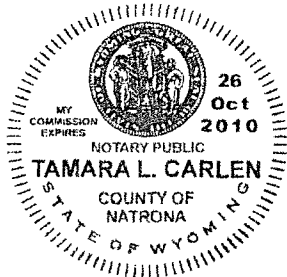
Signature Glenn J. Catchpole
Name Glenn J. Catchpole
(Printed or typed)
Title President and CEO

The foregoing instrument was acknowledged before me by this 30th day of November, 2007

Witness my hand and official seal.

Glenn J. Catchpole
Tamara L. Carlen
(Notary Public or Secretary if a Corporation)

(Notary Seal)



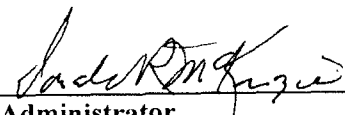
Tamara L. Carlen
(Name printed or typed)
My Commission Expires: Oct. 26, 2010

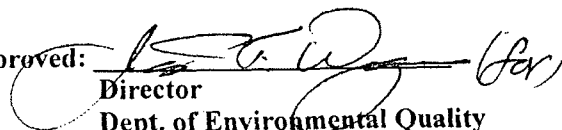


The State of Wyoming)
)ss
Department of Environmental Quality)

This is to certify that I have examined this foregoing application and do hereby grant the same subject to the following limitations and conditions:

1. Uranerz Energy Corporation shall submit to the Land Quality Division a science based model supporting a groundwater reclassification boundary that is within the current LQD Chapter 11 rule requirement. Until this model is reviewed and approved by the LQD, the perimeter monitor well ring shall serve as the boundary.
2. Uranerz Energy Corporation will consult with the Wyoming Game and Fish Department to revise MP 3.15.2.2 to include an annual sage grouse survey within two miles of the Nichols and Hank permit boundaries and shall then submit a permit revision to the Land Quality Division no later than six months after the permit approval date.

Approved: 
Administrator
Land Quality Division
Dept. of Environmental Quality

Approved:  (for)
Director
Dept. of Environmental Quality

Effective Date: December 29, 2010

NOTE:

DO NOT CUT OR MODIFY THIS FORM Use typewriter or print neatly with blue or black ink. Submit two (2) copies one of which must be an original Form 3 as supplied by the Department of Environmental Quality, Land Quality Division.

**STATE OF WYOMING
DEPARTMENT OF ENVIRONMENTAL QUALITY
LAND QUALITY DIVISION
APPLICATION FOR LICENSE TO MINE**

This application in duplicate for a license to mine is submitted in accordance with the provisions of the Wyoming Statute §35-11-410.

1. Name, telephone number, and mailing address of applicant: Uranerz Energy Corporation
PO Box 50850, 1701 East E Street, Casper, WY 82605-0850
307-265-8900

2. Location of mining operation (County): Johnson and Campbell Counties

3. (a) A copy of the mining permit, submitted herewith, for the lands which are to be affected by the proposed mining operation:

Permit No. 778 Issued 29th day of December 2010

(b) If the applicant is other than the permit holder, a copy of the instrument of permission submitted herewith, from the permit holder granting to the applicant the right thereto;

4. Maps showing the location and the numbers of acres to be affected by the proposed mining operation for the first year of operation if less than the full extent of the permit area.

(Map of affected area may be submitted with legal description if desired). The scale of maps shall be reasonable so as to show necessary detail, width of map not to exceed 48".

Suggested scales: Up to 10 acres - 1" = 100'
Up to 40 acres - 1" = 200'
40 acres or more - 1" = 400'

5. Date (month and year) when operation will commence: June 2010

Estimated date (year) of termination of the proposed mining operation: 2020

6. A fee of \$25.00.

7. Name, telephone number, and address of the agent or persons to whom any notice under the provisions of the Wyoming Environmental Quality Act, Land Quality Division or Rules and Regulations adopted thereunder may be sent: Michael P. Thomas PO Box 50850 1701 East E Street
Casper, WY 82605-0850 307-265-8900

8. The provisions of this license are severable, and if any provision of the license, or the application of any provision of this license to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this license shall not be affected thereby.



2-17-2007

Initial MP
(Principal)

Date 30 NOV. 2007 Permit No. 788
TFN No. 451384

FINAL SWORN STATEMENT

State of Wyoming)
County of Natrona) ss.

I Glenn J. Catchpole being duly sworn on my oath that I am the applicant (or the President or Vice President if the applicant is a corporation) for the foregoing "License to Mine"; that I have read the said application and fully know the contents, thereof; and that all statements contained in the License to Mine application are true and correct to my best knowledge and belief; by execution of this statement I certify that Uranerz Energy Corporation, applicant or entities controlled by or under common control with the applicant has the right and power by the legal estate owned to mine from the land for which this License to Mine is desired; that applicant or entities controlled by or under common control with the applicant has not forfeited, or is not involved in forfeiture proceedings for, a bond posted for reclamation purposes nor has had a mining permit or a license to mine suspended or revoked; and if a **surface coal mining application**, that applicant or entities controlled by or under common control with the applicant has paid the reclamation fees for this and all coal mining operations under the jurisdiction of P.L. 95-87 as required by Title IV of that law; and that applicant or entities controlled by or under common control with the applicant has not had any Federal or State Coal mining permits or licenses to mine suspended or revoked in the five years preceding the date of this application.

Dated this 30th day of NOVEMBER, 2007

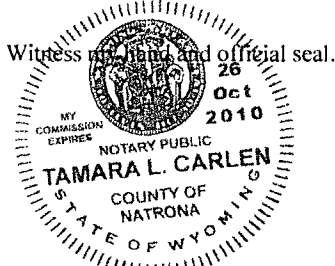
Signature Glenn J. Catchpole

(Corporate Seal)

Name Glenn J. Catchpole
(printed or typed)

Title President and CEO

The foregoing instrument was acknowledged before me by Glenn J. Catchpole this 30th day of November, 2007



Tamara L. Carlen
Notary Public or Secretary if a Corporation

Tamara L. Carlen
Title (Name printed or typed)

This application when returned to you with the validating signature of the Administrator of the Land Quality Division, Department of Environmental Quality, becomes your License No. 188-L1
Effective date: December 29, 2010

Approved by:

By: Sandy McKeown
Administrator
Land Quality Division
Department of Environmental Quality

J. St. George (for)
Director
Department of Environmental Quality

