

APPENDIX JD-D6 HYDROLOGY

A reasonable inspection of the project area showed that these abandoned holes were marked with a stake or pin flag after plugging was completed. To the best of Uranerz Energy Corporations knowledge all holes drilled prior to 1997 were sealed and surface plugged in compliance with the State of Wyoming regulations in effect at the time of drilling. Additionally, visual inspection conducted during current drilling and reclamation operations from 2006 through 2013 in the two permit areas have found no historic drill holes that were not abandoned properly. Also there has not been any evidence of historic drill holes causing cross contamination between aquifers when conducting pump tests or when reviewing historic versus current water levels and water quality in monitor wells that are present in the permit areas. Furthermore, since the historic drill holes have been released by the WDEQ, an assumption can be made that the holes were properly abandoned according to the rules and regulations in place at the time the drill holes were abandoned. No problems are anticipated with past abandoned drill holes.

All known abandoned drill holes are listed in Tables JD-D6I.1-1 and JD-D6I.1-2. The first letters of the drill holes (historic and current) denote the company that drilled the hole as seen after the company name in the previous paragraph. The location and density of all drill holes is shown on Exhibit JD-D6-4.

Abandonment methods used for exploration holes drilled prior to 1997 were sealed and surface plugged in compliance with the State of Wyoming regulations in effect at the time of drilling. The methods utilized prior to 1997 mostly consisted of drilling and abandoning drill holes with drill and natural mud. No additional materials were added to increase the solids or viscosity. After 1977 bentonite was added if needed in abandoning drill holes. Drill holes abandoned by this method are denoted by a "1" in Table JD-D6I.1-2. Drill holes that have a "2" are denoted for abandonment method in Table JD-D6I.1-1 and JD-D6I.1-2 have been abandoned in accordance to current Wyoming Statue §35-11-404 and Wyoming Department of Environmental Quality – Land Quality Division (WDEQ-LQD) Noncoal Rules and Regulations, Chapter 8. These drill holes are abandoned by sealing the drill hole with additional high solids (fortified) bentonite circulated at total depth or abandonment muds as specified in Wyoming Statue §35-11-404 and Chapter 8 of the WDEQ LQD Noncoal Rules and Regulations. All drill holes were surface sealed and marked for identification.