

January 9, 2012

Attn: Document Control Desk
Director
Office of Federal and State Materials and
Environmental Management Programs
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Re: Quarterly Report Uranerz Energy Corporation Nichols Ranch ISR Project SUA-1597

Dear Mr. McConnell,

This letter and attachment serves as the 4th Quarter 2011 quarterly report for the Uranerz Energy Corporation Nichols Ranch ISR Project that is required by License Condition 11.1 in SUA-1597. If you have any questions regarding the provided information, please contact me at 307-265-8900 or by email at mthomas@uranerz.com.

Sincerely,



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

Attachment

cc: Ron Linton, NRC Project Manager

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4th Quarter 2011 Report – Nichols Ranch ISR Project SUA-1597

Activities to Date:

Uranerz received its Wyoming Department of Environmental Quality – Land Quality Division Permit to Mine No. 778 on December 29, 2010. On July 19, 2011 Uranerz received Source Material License SUA-1597. With obtaining both the Permit to Mine No. 778 and SUA-1597, Uranerz began construction of the Nichols Ranch Unit CPP and Production Area #1 at the Nichols Ranch Unit on August 2, 2011. At the end of the 4th Quarter 2011, Uranerz was still working on constructing the CPP and associated facilities along with the installation of monitor ring, production zone, underlying, and overlying monitor wells for Production Area #1.

Excursion Parameters:

No excursion parameters were collected during the 4th Quarter of 2011 since the monitor ring wells were being installed.

Corrective Actions:

No excursions took place in the 4th Quarter of 2011.

Excursion Well Status:

No wells were on excursion status during the 4th Quarter 2011.

Daily Flows:

With Production Area #1 wellfield under construction, there were no flow rates for injection or production wells.

Manifold Pressures:

With Production Area #1 wellfield under construction, there were no records for injection manifold pressures.

A handwritten signature in black ink, appearing to read "M. P. Thomas", is positioned above the printed name and title.

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