



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

Todd Parfitt, Director

March 11, 2013

Michael P. Thomas
Vice President, Environmental, Safety & Health
Uranerz Energy Corp.
P.O. Box 50850
1701 East E Street
Casper, WY 82605-0850

MAR 21 2013

RE: Permit No. 778, Nichols Ranch ISL Project, 2011-2012 Annual Report and Inspection Closeout.

Dear Thomas:

The Land Quality Division (LQD) District III office has completed its review of the #778, 2011-2012 annual report. The Annual Inspection was conducted on November 28, 2012. This letter officially closes out LQD's review of the above referenced annual report. In accordance with W.S. § 35-11-411(d), the bond amount will be set at \$6,800,000.00. This bond amount represents **no change** from your current bond. The DEQ Director's letter to formally establish this total bond amount will be forthcoming.

LQD is in receipt of the Notices of Completion of Construction (NOCC) for your Class 3 wells received under your cover letter dated December 19, 2012. This notification and data was provided in your 2011-2012 Annual Report submittals. The LQD accepts the construction of your wells as being in compliance with your approved mine plan and LQD Non-coal Rules and Regulations, Chapter 11, Section 11(b).

Please feel free to contact me at 307-675-5618 or at miles.bennett@wyo.gov with questions.

Respectfully,

Miles Bennett
Natural Resources Analyst
LQD District III

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xc: Cheyenne LQD Files
Mr. Ron Linton, US Nuclear Regulatory Commission, Mail Stop 8 F 5, 11555 Rockville Pike, Rockville, MD, 20852



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3/12/13