

From: [Mike Thomas](#)
To: [Dorran Larner \(dorran.larner@wyo.gov\)](#); [Linton, Ron](#)
Cc: [Miles Bennett \(miles.bennett@wyo.gov\)](#); [Gersey, Linda](#); [Dawn Kolkman](#); [John McCarthy](#)
Subject: RE: Follow Up
Date: Tuesday, April 29, 2014 5:36:23 PM

Dorran and Ron,

As stated in the message below, Uranerz is providing the WDEQ-LQD and NRC further information and notice regarding well N1B-089. On Monday April 28, 2014, another MIT of the well N1B-089 was conducted. The MIT resulted in the well failing the integrity test. Because of this result, Uranerz does have a non-compliance issue with injecting into a Class III well that has failed Mechanical Integrity Testing.

Uranerz will be providing the WDEQ-LQD and NRC with a letter within five days detailing the non-compliance and containing the required information as stated in the WDEQ-LQD Rules and Regulation, Chapter 11.

If you have any questions regarding this matter, please let me know.

Thanks,

Mike

Mike Thomas

Vice President Regulatory and Public Affairs

Uranerz Energy Corporation

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From: Mike Thomas
Sent: Friday, April 25, 2014 1:07 PM
To: Dorran Larner (dorran.larner@wyo.gov); 'Linton, Ron'
Cc: Miles Bennett (miles.bennett@wyo.gov); linda.gersey@nrc.gov; Dawn Kolkman; John McCarthy
Subject: Follow Up

Dorran and Ron,

As a follow up to the phone call to Ron Linton (NRC) at 10:01 AM (Mountain Time Zone) and voicemails to Dorran Larner (WDEQ-LQD) at 9:52 AM (Mountain Time Zone) and Miles Bennett

(WDEQ-LQD) at 10:24 AM (Mountain Time Zone) today, I am providing you with this email as notification of a potential non-compliance issue with a Class III UIC well at the Uranerz Energy Corporation, Nichols Ranch Unit, Production Area #1. The notification is per WDEQ-LQD Chapter 11 Rules and Regulations and NRC Source Material and Byproduct License SUA-1597, License Condition 11.6.

The potential non-compliance issue involves injection into a Class III UIC well that may have not passed mechanical integrity testing (MIT). The issue with the well was first noted at approximately 11:00/11:30 AM on 4-24-2014 while reviewing data for the Uranerz quarterly report. What has been initially found is that the well in question, N1B-089, was originally MIT'd on 11-6-12 and passed. While conducting some pre-operational validation MIT's on 2-12-14, well N1B-089 was tested and noted as failing the MIT; however, the paperwork on the second MIT on 2-12-14 is incomplete and lacking details.

Because of the uncertainty with the second MIT, the potential non-compliance issue centers around injecting into a Class III UIC well that has failed MIT. Well N1B-089 was injected into with a groundwater/oxygen mixture (lixiviant) from 4-15-14 at 2:30 PM till 4-24-14 at 11:35 AM. A total of 35,622 gallons of lixiviant was injected into the well. At this time there is no indication of any excursions occurring as the result of the injection.

Uranerz is currently investigating the issue and will keep the WDEQ-LQD and NRC informed of the findings. Well N1B-089 has been taken offline and Locked Out/Tagged Out per Uranerz policies.

If you have any questions regarding this manner, please let me know.

Thanks,

Mike

Mike Thomas

Vice President Regulatory and Public Affairs

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