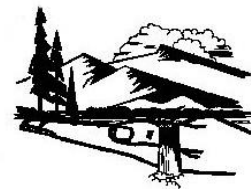




Matthew Mead,
Governor

Department of Environmental Quality

To protect, conserve and enhance the quality of Wyoming's
environment for the benefit of current and future generations.



John Corra,
Director

February 22, 2017

Lost Creek ISR, LLC
Mr. John Cash
5880 Enterprise Dr., Ste. 200
Casper, WY 82609

RE: **2016 Annual Report Review for Permit PT-788**

Dear Mr. Cash:

The Annual Report for PT-788 was received by the Wyoming Department of Environmental Quality – Land Quality Division (WDEQ/LQD) Lander Field Office on October 24, 2016. I have performed a review of the bond estimate provided and it appears to be reasonable. Though I have not received a formal written concurrence (Letter or E-Mail) from the Nuclear Regulatory Commission (NRC), I have verbally discussed the bond estimate with Mr. John Saxton and it appears that the NRC is satisfied with the Surety Estimate. I do have the following comments with regard to the estimate provided:

1. There are several instances where the Documentation provided to support the calculations is not of sufficient detail or is completely lacking, this issue should be resolved with the next Annual Report, also Item #3 below;
2. There is no documentation in the Permit 788 *Operations/Reclamation Plan* concerning the *Elution Phase* of Ground Water Restoration. This letter serves as notification that the appropriate text and Figures within the *Operations/Reclamation Plan* must be revised to reflect this Reclamation process. Lost Creek, ISR has 90 days from the date of this letter to submit the requested revision; and,
3. Through discussion with other WDEQ/LQD staff members, it appears there is range of assumptions and costs utilized for various reclamation operations. I concede that each operation has its own intricacies, however, when it comes to reclamation tasks such as wellfield piping removal and handling, I fail to see a difference between operations. In the future I see this as being a topic for the Uranium Work Group.

In closing, there are no wells currently on excursion. It appears that all monitoring commitments are being met. The 2016 Annual Report is deemed acceptable. Once formal (letter or e-mail) confirmation of the NRC's bond concurrence is received, a Director's Bond Letter will be sent establishing the Reclamation Performance Bond amount at **\$15,586,000.00**.

If you have any questions about statements in this letter, please contact me at the Lander District office at (307) 332-3047.

Sincerely,

Brian R. Wood
District 2 Assistant Supervisor

Cc: WDEQ/LQD Cheyenne – Permit 788 Annual Report / Inspection File
Nancy Williams > WDEQ/LQD Lander – Permit 788 Annual Report / Inspection File
Mark Newman, Rawlins BLM office – 1300 3^d Street, Rawlins, WY 82301 (EC)
John Saxton, NRC (EC)
Chron

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