



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8

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JUN 08 2011



Ref: 8P-W-GW

Mr. Kevin Frederick  
Wyoming Department of Environmental Quality  
Water Quality Division  
122 West 25th Street  
Cheyenne, Wyoming 82002

Re: Lost Creek ISR, LLC Project TFW 46/26 B  
HJ Horizon Aquifer Exemption  
Sweetwater County, Wyoming

Dear Mr. Frederick:

Based on our review of the application and other supporting information provided by Lost Creek ISR, LLC and the Wyoming Department of Environmental Quality, the U.S. Environmental Protection Agency, Region 8, cannot at this time approve WDEQ's proposed reclassification of a portion of the HJ Horizon of the Battle Spring Formation as Class V (Mineral Commercial) Groundwater of the state, pursuant to Wyoming Water Quality Rules and Regulations, Chapter 8.

WDEQ has proposed to reclassify a Class IV groundwater to a Class V (mineral-commercial) groundwater because it has been found to be closely associated with commercial deposits of hydrocarbons and/or other minerals. The reclassified region includes the area of mineralization that is commercially producible plus an additional area out to the next 1/4 1/4 section. For the additional area out to the next 1/4 1/4 section to be approved, the operator needs to make a demonstration that those portions of the aquifer are commercially mineable and/or integral to fully mine the ore body and restoration of the aquifer. Upon submission of this additional information, the EPA will reevaluate the proposed area for reclassification.

Please contact Wendy Cheung of my staff at (303) 312-6242, with questions or concerns regarding this matter.

Sincerely,

Stephen S. Tuber  
Assistance Regional Administrator  
Office of Partnerships and Regulatory Assistance

cc: Mark Moxley, WDEQ, Lander Office