

July 10, 2007

Michael Thomas  
Environmental, Safety, and Health Manager  
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1701 East "E" Street  
P.O. Box 50850  
Casper, WY 82605-0850

SUBJECT: SUMMARY OF JUNE 27, 2007, MEETING - URANERZ ENERGY CORPORATION

Dear Mr. Thomas:

A summary of the meeting between U. S. Nuclear Regulatory Commission (NRC) staff and representatives of Uranerz Energy Corp. (Uranerz) on June 27, 2007, is enclosed. Two action items were agreed upon at the meeting and are detailed in the meeting summary.

If you have any questions regarding this letter or the enclosed meeting summary, please contact the NRC Project Manager for the Uranerz site, Paul Michalak at (301) 415-7612, or by email at [pxm2@nrc.gov](mailto:pxm2@nrc.gov).

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

**/RA/**

Paul Michalak, Hydrogeologist  
Uranium Recovery Licensing Branch  
Decommissioning and Uranium Recovery  
Licensing Directorate  
Division of Waste Management  
and Environmental Protection  
Office of Federal and State Materials  
and Environmental Management Programs

Docket No.: 04009067

Enclosure: Meeting Summary

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**MEETING WITH URANERZ ENERGY CORPORATION  
MEETING REPORT**

On June 27, 2007, Nuclear Regulatory Commission (NRC) staff met with representatives of Uranerz Energy Corp. (Uranerz) at the agency headquarters in Rockville, Maryland. The public meeting was announced on the NRC public web site on June 6, 2007, but no members of the public chose to attend.

**PURPOSE:** Discussion of issues related to Uranerz 's Nichols Ranch In Situ Recovery (ISR) Project.

**ATTENDEES:** See attached Attendee List (Attachment A).

**BACKGROUND:**

Uranerz is engaged in the acquisition, exploration and development of properties in the uranium sector. The Company's goal is to become a producer of uranium which will be utilized as fuel in the world's nuclear electrical generating facilities. Uranerz has expertise in the in-situ recovery mining method. Its management team has direct experience in licensing, designing, constructing or operating seven separate in-situ recovery uranium mines located in Wyoming, Texas, Nebraska, and Kazakhstan.

Uranerz intends to submit ISR applications for two of its Powder River Basin, Wyoming properties: Nichols Ranch, which would include the main central processing plant (lixiviant injection through yellowcake packing) and Hank property as a satellite operation (lixiviant injection through resin impregnation). Resin from the Hank operation would be trucked to the Nichols operation for resin elution, precipitation, thickening, drying, and yellowcake packing.

**DISCUSSION:**

The first half of the meeting consisted of Mike Thomas of Uranerz giving a presentation of the current status of licensing application work (see Attachment B). Completed permitting activities include meteorological, soils, vegetation, wildlife, wetlands, cultural surveys, and gamma surveys. Activities yet to be completed include MILDOS (radiological dose assessment), background water and radiological collection, reclamation plan, hydrology (for the Hank site), and health physics (radiological safety procedures).

Following the presentation, several licensing related topics were discussed. NRC staff indicated to Uranerz that the quality and completeness of its application (technical and environmental) would impact the timing of its review. Per 10 CFR Part 51.20(b)(8), issuance of a license to possess and use source material for uranium milling requires development of an environmental impact statement (EIS) or a supplement to an EIS as part of the NRC's compliance with the National Environmental Policy Act. The NRC staff stated that it would complete a Generic Environmental Impact Statement (GEIS) for uranium recovery facilities and that the target date for completion was January 2009. Uranerz indicated that it believes there is some inherent uncertainty with respect to the actual completion date of the GEIS due to

potential intervener challenges and/or technical issues. As a result, Uranerz feels that NRC development of a site-specific EIS poses less risk in terms of a timely completion of the environmental review portion of its application. Uranerz indicated that development of a site-specific EIS is its preferred option.

Uranerz also submitted a Letter of Intent to submit an ISR Uranium Extraction License Application for the Nichols Ranch ISR Project in November 2007 (see Attachment C). The Letter of Intent included a request for the NRC to begin setting up an EIS contract prior to Uranerz's formal application. Uranerz understands that the NRC's site-specific EIS for the Nichols Ranch and Hank projects will be developed primarily by third-party contractors under NRC supervision. Uranerz believes that having an EIS contract in place at the time its application is submitted will facilitate a timely environmental review of the Nichols Ranch and Hank projects.

**ACTIONS:**

Two NRC action items were agreed upon.

For the NRC:

- 1) Within the next month, set up a conference call between Uranerz and NRC technical staff (Uranium Recovery and Environmental Review Branches) to discuss preferred Environmental Report formatting and status of the EIS contracting.
- 2) Research and respond to Uranerz's question concerning the consequences (i.e, impact on the timing of the NRC's safety and technical review) of not submitting geotechnical specifications of construction design (e.g., buildings, slabs, etc.) in its license application.

**ATTACHMENTS:** Refer to Attachments A, B, and C.

## **ATTACHMENT A**

## **ATTACHMENT B**

## **ATTACHMENT C**