

August 23, 2007

Mr. Michael Thomas  
Environmental, Safety, and Health Manager  
Uranerz Energy Corporation  
1701 East "E" Street  
P.O. Box 50850  
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SUBJECT: SUMMARY OF AUGUST 16, 2007, CONFERENCE CALL

Dear Mr. Thomas:

A summary of the August 16, 2007 conference call between U. S. Nuclear Regulatory Commission (NRC) staff and representatives of Uranerz Energy Corporation (Uranerz) is enclosed.

If you have any questions regarding this letter or the enclosed meeting summary, please contact the NRC Project Manager, 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,

**R. Lukes for /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 Report

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<b>OFC</b>	DWMEP	DWMEP	DWMEP	
<b>NAME</b>	P. Michalak: tcp	BGarrett	B. Von Till	
<b>DATE</b>	8/22/07	8/23/07	8/23/07	

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## REPORT OF CONFERENCE CALL WITH URANERZ ENERGY CORPORATION

On August 16, 2007, U.S. Nuclear Regulatory Commission (NRC) staff conducted a publicly-noticed conference call with representatives of Uranerz Energy Corporation (Uranerz) at the agency's headquarters in Rockville, Maryland. Originally, a video-conference was noticed, however, due to technical difficulties, the resulting interaction was a conference call. The video-conference was announced on the NRC public web site on August 6, 2007. Several members of the public chose to listen via land lines.

**PURPOSE:** Completion of action items from the June 27, 2007 meeting with Uranerz concerning its Nichols Ranch In Situ Leach (ISL) Project.

**ATTENDEES:** See attached Attendee List (Attachment 2).

### 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, and operating seven separate in-situ recovery uranium mines located in Wyoming, Texas, Nebraska, and Kazakhstan.

Uranerz intends to submit ISL 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 initial portion of the conference call consisted of NRC staff updating Uranerz on the status of third-party contacting for the Environmental Impact Statement (EIS) for ISL uranium extraction license application review. NRC staff and management indicated that the present NRC Office of Federal and State Materials and Environmental Management Programs (FSME) Fiscal Year 2008 budget does not include any funds for site-specific EISs for uranium milling license applications. Given the lack of funds, NRC management, with Commission approval, has decided that the best option for the agency to meet its National Environmental Policy Act (NEPA) obligations is the development of a Generic Environmental Impact Statement (GEIS) for ISLs. With multiple new ISL applications and license amendments for the expansion of existing ISL operations expected to be submitted to the NRC over the next 36 months, the current plan is to have all the environmental reviews for the new ISL applications use the relevant sections of the GEIS to prepare either a site-specific Environmental Assessment (EA) or a site-specific EIS. The NRC believes that development of the Generic EIS is the fairest and most equitable way to balance the NRC's commitment to conduct detailed and comprehensive

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environmental evaluations with industry's demand for timely and cost-effective environmental reviews of its license applications. Both staff and management indicated that they believed that utilization of the GEIS would not result in any meaningful delays in the NRC's assessment of Uranerz's application.

The conference call continued with a discussion of preferred formatting for the environmental portion of Uranerz's forthcoming application. NRC staff supplied both Uranerz and members of the public with a table that compared chapter headings (i.e., report sections) between NUREG-1569, *Standard Review Plan for In Situ Leach Uranium Extraction License Applications* and NUREG-1748, Chapter 6, *The Environmental Report: Format and Technical Content*.

The conference call concluded with questions/comments from the public. One comment indicated that it appeared that the NRC had already decided to exclusively use an EA instead of EISs to address site-specific issues in its NEPA review, and that this decision would cut the level of public scoping and comments. NRC staff and management indicated that the decision to use a site-specific EA versus a site-specific EIS would be determined through the NEPA evaluation process. If warranted, a site-specific EIS would be used. In addition, NRC management committed to publishing all draft EAs related to new uranium extraction licenses for public comment.

Another comment indicated that the GEIS would be too broad of a document to address site-specific environmental justice issues. NRC management responded that the EAs for new applications would include an Environmental Justice section because such issues had not been evaluated for these "new sites."

Finally, one comment indicated that NRC Headquarters personnel would not be aware of local environmental justice issues. NRC management responded that the agency had planned to have "boots-on-the-ground" with respect to site-specific issues, including environmental justice. It was also relayed that the NRC was planning a third public scoping meeting and was extending the public scoping period for the GEIS by approximately one month.

#### ACTIONS:

None.

#### Attachments:

1. Meeting Agenda
2. Meeting Attendees
3. NUREG-1748, Chapter 6, versus NUREG-1569

MEETING AGENDA  
Uranerz Energy Corporation  
August 16, 2007

MEETING PURPOSE: Pre-licensing video-conference to discuss issues related to Uranerz Energy Corporation's upcoming In Situ Leach (ISL) uranium recovery application.

MEETING PROCESS:

<u>Time</u>	<u>Topic</u>	<u>Lead</u>
11:00 a.m.	Welcome and Introductory Remarks	Moderator
11:10 a.m.	Introductions	All
11:20 a.m.	Address action items from June 27, 2007 meeting: 1. The preferred Environmental Report formatting and status of the Environmental Impact Statement contracting.  2. The impact on the timing of NRC's safety and technical review of Uranerz not submitting geotechnical specifications of construction design (e.g., buildings, slabs, etc.) in its license application.	NRC  NRC
12:20 a.m.	Discussion/Applicant Questions	All
12:20 p.m.	Summary of Action Items	Moderator
12:30 p.m.	Public Comment/Questions	Moderator
1:00 p.m.	Adjourn	

## MEETING ATTENDEES

Date: August 16, 2007

Topic: **Uranerz Energy Corp.**

NAME	AFFILIATION	PHONE NUMBER	E-MAIL
Paul Michalak	NRC	301-415-7612	pxm2@nrc.gov
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Scott Flanders	NRC	301-415-6717	scf@nrc.gov
Greg Suber	NRC	301-415-8087	gxs@nrc.gov
Andy Campbell	NRC	301-415-6897	acc@nrc.gov
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Rob Miller	Omega Project Services	-	rhmillier@omega-ps.com
Craig Harlin	Omega Project Services	-	-
Craig Holmes	Consultant	-	pommelhouse@sbcglobal.net
Sarah Fields	Private citizen	435-259-4734	sarahmfields@earthlink.net
Suzanne Lewis	Biodiversity Conservation Alliance	307-742-7978	suzanne@voiceforthewild.org
Daniel Horner	Inside NRC	202 383-2164	Daniel_Horner@platts.com

<b>NUREG-1748, CHAPTER 6</b> <b>The Environmental Report: Format and Technical Content</b>	<b>NUREG-1569, Standard Review Plan for In Situ Leach Uranium Extraction License Applications</b>
6.1 Introduction of the Environmental Report 6.1.1 Purpose and Need for the Proposed Action 6.1.2 The Proposed Action 6.1.3 Applicable Regulatory Requirements, Permits, and Required Consultations	1.0 Proposed Activities 3.0 Description of Proposed Facility 10.0 Environmental Approvals and Consultations
6.2 Alternatives 6.2.1 Detailed Description of the Alternatives 6.2.1.1 No-Action Alternative 6.2.1.2 Proposed Action 6.2.1.3 Reasonable Alternatives 6.2.2 Alternatives Considered but Eliminated. 6.2.3 Cumulative Effects 6.2.4 Comparison of the Predicted Environmental Impacts	8.0 Alternatives to Proposed Action
6.3 Description of the Affected Environment 6.3.1 Land Use 6.3.2 Transportation 6.3.3 Geology and Soils 6.3.4 Water Resources 6.3.5 Ecological Resources 6.3.6 Meteorology, Climatology, and Air Quality 6.3.7 Noise 6.3.8 Historic and Cultural Resources 6.3.9 Visual/Scenic Resources 6.3.10 Socioeconomic 6.3.11 Public and Occupational Health 6.3.12 Waste Management	2.0 Site Characterization 2.1 Site Location and Layout 2.2 Uses of Adjacent Lands and Waters . 2.3 Population Distribution 2.4 Historic, Scenic, and Cultural Resources . 2.5 Meteorology 2.6 Geology and Seismology 2.7 Hydrology 2.8 Ecology 2.9 Background Radiological Characteristics 2.10 Other Environmental Features

<p>6.4 Environmental Impacts</p> <ul style="list-style-type: none"> <li>6.4.1 Land Use Impacts</li> <li>6.4.2 Transportation Impacts</li> <li>6.4.3 Geology and Soils Impacts</li> <li>6.4.4 Water Resources Impacts</li> <li>6.4.5 Ecological Resources Impacts</li> <li>6.4.6 Air Quality Impacts</li> <li>6.4.7 Noise Impacts</li> <li>6.4.8 Historic and Cultural Resources Impacts</li> <li>6.4.9 Visual/Scenic Resources Impacts</li> <li>6.4.10 Socioeconomic Impacts</li> <li>6.4.11 Environmental Justice.</li> <li>6.4.12 Public and Occupational Health Impacts <ul style="list-style-type: none"> <li>6.4.12.1 Nonradiological Impacts.</li> <li>6.4.12.2 Radiological Impacts</li> </ul> </li> <li>6.4.13 Waste Management Impacts</li> </ul>	<p>7.0 Environmental Effects</p> <ul style="list-style-type: none"> <li>7.1 Site Preparation and Construction</li> <li>7.2 Effects of Operations</li> <li>7.3 Radiological Effects <ul style="list-style-type: none"> <li>7.3.1 Exposure Pathways <ul style="list-style-type: none"> <li>7.3.1.1 Exposures from Water Pathways.</li> <li>7.3.1.2 Exposures from Airway Pathways</li> <li>7.3.1.3 Exposures from External Radiation</li> <li>7.3.1.4 Total Human Exposures.</li> <li>7.3.1.5 Exposures to Flora and</li> </ul> </li> </ul> </li> <li>7.4 Non-Radiological Effects</li> <li>7.5 Effects of Accidents</li> <li>7.6 Economic and Social Effects of Construction and Operation <ul style="list-style-type: none"> <li>7.6.1 Benefits</li> <li>7.6.2 Socioeconomic Costs</li> </ul> </li> </ul>
<p>6.5 Mitigation Measures</p>	<p>6.0 Ground-water Quality Restoration, Surface Reclamation, And Facility Decommissioning</p> <ul style="list-style-type: none"> <li>6.1 Plans and Schedules for Ground-water Quality Restoration</li> <li>6.2 Plans and Schedules for Reclaiming Disturbed Lands</li> <li>6.3 Procedures for Removing and Disposing of Structures and Equipment</li> <li>6.4 Methodologies for Conducting Post-Reclamation and Decommissioning Radiological Surveys</li> </ul>



<p>6.6 Environmental Measurements and Monitoring Programs</p> <p>6.6.1 Radiological Monitoring</p> <p>6.6.2 Physiochemical Monitoring</p> <p>6.6.3 Ecological Monitoring</p>	<p>5.0 Operations</p> <p>5.7 Radiation Safety Controls and Monitoring.</p> <p>5.7.2 External Radiation Exposure Monitoring Program</p> <p>5.7.3 Airborne Radiation Monitoring Program</p> <p>5.7.6 Contamination Control Program</p> <p>5.7.7 Airborne Effluent and Environmental Monitoring Program</p> <p>5.7.8 Ground-Water and Surface-Water Monitoring Programs</p>
<p>6.7 Cost Benefit Analysis</p>	<p>9.0 Cost-Benefit Analysis</p>
<p>6.8 Summary of Environmental Consequences</p>	
<p>6.9 List of References</p>	
<p>6.10 List of Preparers</p>	