

June 17, 2008

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

SUBJECT: SUMMARY OF MAY 27, 2008 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 May 27, 2008, is enclosed.

If you have any questions regarding this letter or the enclosed meeting summary, please contact me at (301) 415-7777, or by email at ron.linton@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/

Ron C. Linton, Project Manager
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

cc: G. Mooney (WDEQ)

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MEETING REPORT

DATE: May 27, 2008

TIME: 12:30 p.m. – 2:30 p.m.

PLACE: U.S. Nuclear Regulatory Commission
Two White Flint North, Rockville, Maryland
Room T8C5

PURPOSE: Discuss Uranerz Energy Corporation's Nichols Ranch Project License Application

ATTENDEES: SEE ATTACHED ATTENDEE LIST

BACKGROUND:

The purpose of this meeting was for Uranerz Energy Corporation (Uranerz) to discuss its recently submitted license application for an *in-situ* leach (ISL) facility for the Nichols Ranch area. The application was submitted to the Nuclear Regulatory Commission (NRC) in December 2007. The application was accepted April 14, 2008, for detailed review by NRC staff.

DISCUSSION:

The meeting and teleconference started at 12:31 p.m. Eastern time in T8C5. An opening statement was presented by Ron Linton, NRC.

The meeting continued with a presentation by Mike Thomas, Uranerz. A copy of the presentation is enclosed with this meeting summary. The presentation focused on coal bed methane (CBM) activities near the Nichols and Hank Ranch properties located in the Powder River Basin, Wyoming. CBM activities began in earnest around 1991 in the Powder River Basin. Existing and current CBM projects were discussed in detail. Methane is produced from the Big George Coal seam which is approximately 50 feet thick and approximately 1400 to 1800 feet below the surface. The Bureau of Land Management (BLM) developed a Final Environmental Impact Statement for CBM projects and has permitting authority for CBM activities on BLM lands. CBM surface discharges were discussed in detail, with generally three possible scenarios for excess water pumped from coal beds for the production of methane: water will be collected in a large holding tank, pumped 30 miles away and deep well injected into the Madison formation; water will be discharged to the surface into Tex Draw; and water will be discharged into small, less than 20 acre/feet, reservoirs in the Cottonwood Creek drainage area. The Wyoming State Engineer's Office regulates discharges to surface water and surface impoundments. The life expectancy of CBM in the area is 7 to 10 years before decommissioning of wells commence.

Mike Thomas turned the presentation over to George Hoffman who discussed modeling of expected groundwater drawdown in the Big George coal and expected drawdown in sand aquifers and clay aquitards in units above the Big George coal. The ore body Uranerz will be targeting at Nichols Ranch is approximately 765 feet above the Big George Coal. The ore body at Hank is approximately 1160 feet above the Big George coal. Mr. Hoffman indicated that a 13

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layer model showed that after 20 years of dewatering in the Big George coal, 500 feet of hydraulic head drawdown would be expected in the coal, however, there would be little effect on the hydraulic head in the aquifers to be targeted for uranium extraction far above the coal seam, unless there are artificial connections between aquifers.

After the presentation, there was a round-table discussion of the application that focused on the areas listed in the enclosed agenda.

One member of the public asked a few follow-up questions of the NRC and Uranerz.

ACTIONS: No action items were noted.

The meeting and teleconference ended at approximately 2:45 p.m. eastern time.

ATTACHMENTS: 1. Meeting Agenda
2. Attendee List
3. PowerPoint Presentation

MEETING AGENDA
 Uranerz Energy Corporation
 May 27, 2008

MEETING PURPOSE: Discuss Uranerz Energy Corporation's Nichols Ranch ISR Project License Application

MEETING PROCESS:

<u>Time</u>	<u>Topic</u>	<u>Lead</u>
12:30 p.m.		
1.	Introductions	All
2.	Coal Bed Methane (CBM)	
	Overview of CBM projects near Nichols Ranch In Situ Recovery (ISR) Project	Uranerz
	Geologic and Hydrologic Separation of CBM from Nichols Ranch ISR Project	
	CBM Monitoring and Interaction with ISR Uranium Extraction	
	CBM Surface Discharges	
3.	Aquifer/Aquitard Properties	Uranerz
	Effects of Drawdown - Domestic/livestock Wells	
	Ore Zone Hydraulic Confinement/isolation	
4.	Health Physics	Uranerz
	Radiological Protection/treatment of CBM Workers	
	Gaseous and Particulate Effluent	
	Preoperational Environmental Monitoring	
	Reclamation and Decommissioning	
5.	BLM Interactions	All
6.	Summary of Action Items	Moderator
7.	Public Comment/Questions	Moderator
2:30 p.m.		
	Adjourn	Attachment 1