

October 29, 2008

Tom Christiansen
Sage Grouse Coordinator
Wyoming Game and Fish Department
Green River Field Office
351 Astle Avenue
Green River, WY 82935

SUBJECT: REQUEST FOR INFORMATION REGARDING SAGE GROUSE HABITATS
FOR THE PROPOSED LICENSE APPLICATION FOR URANERZ ENERGY
CORPORATION'S NICHOLS RANCH URANIUM RECOVERY PROJECT
(Docket 040-09067)

Dear Mr. Christiansen:

The U.S. Nuclear Regulatory Commission (NRC) has received an application from Uranerz Energy Corporation for a new radioactive source materials license to develop and operate the Nichols Ranch Uranium Recovery Project (an *in-situ* recovery operation) located in Campbell and Johnson Counties, WY. The proposed project will consist of two project areas: 1) the Nichols Ranch Unit located in Township 43 North, Range 76 West, Sections 7, 8, 17, 18, and 20 and 2) the Hank Satellite Unit located in Township 44 North, Range 75 West Sections 30 and 31, and Township 43 North, Range 75 West Sections 5, 6, 7, and 8. The Nichols Ranch Unit will be the location of the main uranium processing facility with the Hank Satellite Unit being a satellite operation. The location of the Nichols Ranch project is within 5 miles of two currently-licensed *in-situ* recovery projects, the AREVA (COGEMA) Christensen Ranch Project and the Power Resources Inc. North Butte License Area. A map showing the proposed project location is enclosed.

As established in Title 10 *Code of Federal Regulations* Part 51 (10 CFR 51), the NRC regulation that implements the National Environmental Policy Act of 1969, as amended, the agency is preparing an Environmental Assessment (EA) for the proposed action that will tier off a Generic Environmental Impact Statement currently under development. In accordance with Section 7 of the Endangered Species Act, the EA will include an analysis of potential impacts to endangered or threatened species or critical habitat in the proposed project area. To support the environmental review, the NRC requested information from the U.S. Fish and Wildlife Service (FWS) to facilitate the identification of endangered or threatened species or critical habitat that may be affected by the proposed project. According to a letter sent to the NRC from the FWS dated August 1, 2008, the FWS indicated that they are currently conducting a review to determine if the greater sage-grouse warrants listing and that you may have more information on the greater sage-grouse habitats within the project area and appropriate mitigative measures to minimize potential impacts to the species. Any information you provide will be used to enhance the scope and quality of our review in accordance with 10 CFR 51 and 50 CFR 402. After assessing the information provided by you, the NRC will determine what additional actions are necessary to comply with Section 7 of the Endangered Species Act.

The Uranerz Energy Corporation's Nichols Ranch Uranium Recovery Project license application is publicly available in the NRC Public Document Room located at One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852, or from the NRC's Agency Wide Documents Access and Management System (ADAMS). The ADAMS Public Electronic Reading Room is accessible at <http://www.nrc.gov/reading-rm/adams.html>. The accession number for the application is ML080080594.

Please submit any comments/information that you may have regarding this environmental review within 30 days of the receipt of this letter to the U.S. Nuclear Regulatory Commission, Attention: Mr. Gregory F. Suber, Mail Stop T8F05, Washington, DC 20555. If you have any questions, please contact Ms. Irene Yu of my staff by telephone at 301-415-1951 or by email at Irene.Yu@nrc.gov. Thank you for your assistance.

Sincerely,

/RA/

Gregory F. Suber, Branch Chief
Environmental Review Branch
Environmental Protection and
Performance Assessment Directorate
Division of Waste Management and
Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket No.: 040-09067

Enclosure: Uranerz Energy Corporation Figure 1-4

T. Christiansen

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Gregory F. Suber, Branch Chief
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Enclosure: Uranerz Energy Corporation Figure 1-4

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