

December 31, 2008

Mr. Wayne W. Heili
President
Lost Creek ISR, LLC
10758 West Centennial, Suite 200
Littleton, CO 80127-4289

SUBJECT: MINUTES OF NOVEMBER 18, 2008 MEETING TO DISCUSS THE REQUEST FOR ADDITIONAL INFORMATION, LOST CREEK ISR, LLC, LOST CREEK IN SITU RECOVERY FACILITY, SWEETWATER COUNTY, WYOMING (TAC J00559)

Dear Mr. Heili:

This letter transmits the report of a meeting held on November 18, 2008, at the U.S. Nuclear Regulatory Commission (NRC) headquarters between NRC representatives and those of Lost Creek ISR, LLC. The purpose of this meeting was to discuss a Request for Additional Information (RAI) issued by NRC staff on November 6, 2008. The enclosed report contains an attendance list and a discussion of issues requiring NRC staff input. If you have any questions regarding this report, please contact me at 301-415-7182, or by email atstephen.cohen@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 (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-m/adams.html>.

Sincerely,

/RA/

Stephen J. Cohen, Project Manager
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.: 04009068

Enclosure:
Meeting Report/Request for
Additional Information

cc: John Cash, LCI
Mark Thiesse, WDEQ
Mark Newman, BLM
Melissa Bautz, WDEQ
Jon Kaminsky, BLM

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Sincerely,

Stephen J. Cohen, Project Manager
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. 40-9068
Enclosure:
Meeting Report/Request for
Additional Information

cc: John Cash, LCI
Mark Thiesse, WDEQ
Mark Newman, BLM
Melissa Bautz, WDEQ
Jon Kaminsky, BLM

DISTRIBUTION: JWhitten, RIV KMcConnell BVonTill

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Date	12/23/08	12/22/08	12/31/08	12/31/08

OFFICIAL RECORD COPY

MEETING REPORT

DATE: November 18, 2008

TIME: 3:00 p.m. to 5:00 p.m.

PLACE: U.S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD

PURPOSE: Meeting was held to discuss the Request for Additional Information (RAI) issued by the U.S. Nuclear Regulatory Commission (NRC) to Lost Creek ISR, LLC (LCI) on November 6, 2008

ATTENDEES: Refer to Attachment A

DISCUSSION:

LCI submitted an application for a license to operate an *in situ* recovery (ISR) facility in Sweetwater County, Wyoming. NRC staff performed a technical review of the application and issued an RAI on November 6, 2008. LCI requested a meeting to review some of the RAI questions to gain clarification and guidance to properly prepare responses. During the meeting, NRC staff stated that certain questions required additional investigation. Those questions are addressed below.

Question 2.9, No. 3 – Vegetation Sampling. LCI questioned whether or not vegetation sampling is required at the site since the dryer is not proposed. NRC staff responded that vegetation sampling is required as part of the background sampling, per Criterion 7.

Lost Creek stated that it was preparing an application to upgrade the Lost Creek central processing plant to include a dryer. Toward that end, LCI has been conducting certain monitoring and background samples to support the review of this application. LCI asked if it should amend the current application to provide the new data. NRC staff stated that amending the application because that would cause a delay in issuing the main facility license. The staff stated that LCI could submit the upgrade under a separate application and it would be reviewed after issuing the license. However, after submitting upgrade application, LCI can reference the information in the upgrade application that was requested for the main facility application.

Question 3.2, #11. NRC staff requested that LCI commit to submitting for review and approval all hydrologic packages for individual wellfields. LCI's position is that the Wyoming DEQ reviews and approves all hydrologic tests; therefore, NRC does not need to review this information. NRC disagrees with LCI's position. NRC staff is responsible for the safe operation of ISRs and part of that responsibility is the review of wellfield hydrologic tests. Prior to 1998, NRC staff reviewed and approved individual wellfield packages. After 1998, the NRC staff issued performance-based license conditions for existing facilities.

Wellfield hydrologic studies provide the staff more detailed hydrogeologic information that allows the staff to confirm that ISR wellfields can be operated safely. Furthermore, without an operating history, NRC staff has no basis to ensure that operators are interpreting hydrologic tests correctly. Therefore, a review and approval of wellfield hydrologic tests is necessary for new licensees. After a performance history is established, licensees can apply for an

amendment to remove from the license the requirement for review and approval of wellfield hydrologic tests.

Question 3.3, #1. LCI requested a clarification of the requirements regarding potential toll milling. NRC staff, as part of its analysis, needs to review the transportation issues associated with toll milling. At this point in time, LCI needs to identify the distances and places of origination that should be included in this analysis and the potential transportation routes. LCI should also indicate whether or not processing other facilities resins would alter waste stream composition.

Question 3.3, #3. LCI requested guidance regarding the amount of information required for the disposal wells. Final designs are currently not available. NRC staff stated that it needs to bound the safety and environmental analyses. Furthermore, although the WDEQ and the USEPA permits the wells, NRC staff must review radiological safety information regarding the wells.

Question 4.2, #4. LCI questioned the basis for this particular RAI is relevant due to the fact that the water being pumped is unaltered groundwater. LCI further stated that OSHA and WDEQ regulate the pumping tests in new wellfields. NRC staff reviewed this issue and determined that LCI is correct. However, LCI needs to ensure that background radiological characteristics are quantified before the pumping tests occur. Because discharge from these wells may contain low concentrations of radionuclides, LCI needs to be able to determine if background has changed.

Stack sampling – At this point in time, NRC staff is reviewing the regulations contained in 10 CFR 40.65 as a requirement to measure effluents discharged to unrestricted areas. A decision regarding this issue is forthcoming.

ACTIONS:

NONE

ATTACHMENTS

Meeting Agenda
Meeting Attendee List

MEETING AGENDA

Ur-Energy USA, Inc./Lost Creek ISR, LLC
November 18, 2008

MEETING PURPOSE: Discussion of Request for Additional Information for Lost Creek ISR, LLC Uranium Recovery Facility.

MEETING PROCESS:

<u>Time</u>	<u>Topic</u>	<u>Lead</u>
3:00 p.m.	Introductions	All
	Discussion of Request for Additional Information for Lost Creek ISR	All
	Summary of Action Items	Moderator
	Public Comment/Questions	Moderator
5:00 p.m.	Adjourn	