
From: Mike Griffin (USA) [Mike.Griffin@uranium1.com]
Sent: Tuesday, March 03, 2009 2:10 PM
To: Stephen Cohen
Subject: D Wichers letter to WDEQ
Attachments: Wichers letter to Corra, McKenzie.pdf

Steve:

Attached is a letter that Donna sent to John Corra and Don McKenzie following her meeting with them discussing the wellfield package issue. She primarily discusses the delays that Uranium One will incur because of WDEQ changing the game in mid-review. I thought that you may be interested in that aspect of this request.

Mike

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srv-den-mx-01.den.u1.internal ([10.10.130.10]) with mapi; Tue, 3 Mar 2009
12:10:53 -0700

From: "Mike Griffin (USA)" <Mike.Griffin@uranium1.com>

To: Stephen Cohen <SJC7@nrc.gov>

Date: Tue, 3 Mar 2009 12:09:51 -0700

Subject: D Wichers letter to WDEQ

Thread-Topic: D Wichers letter to WDEQ

Thread-Index: AcmcM6EtsAn/YL/QSvOdjfHdXU+wqQ==

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acceptlanguage: en-US

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n_"

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Return-Path: Mike.Griffin@uranium1.com

COPY



February 25, 2009

Mr. John Corra, Director
Mr. Don McKenzie, Administrator Land Quality Division
Department of Environmental Quality
122 West 25th St., Herschler Building
Cheyenne, Wyoming 82002

RE: February 20, 2009 Meeting with Uranium One Americas

Dear Messrs. Corra and McKenzie:

Thank you for taking the time to meet with me and Bob Tarantola on Friday, February 20. As I indicated to you in our meeting, Uranium One is quite concerned with various "new requirements" being imposed on our company during the permitting process for our Moore Ranch ISR project located in District III, and our JAB-Antelope Project located in District II. The new requirements are being requested of Uranium One through technical application review comments (Moore Ranch) and completeness review comments on the JAB-Antelope application. The new requirements will have the impact of delaying the permit issuance for both projects, but the greatest impact will be to our first project, Moore Ranch.

There are several issues that I discussed in our meeting, but I will focus this letter on the primary issue that is extremely critical to our permitting, construction and operational timeline. That issue, of requiring wellfield packages prior to WDEQ approval, is summarized below.

Requirement to Submit a Detailed Wellfield Package Prior to Permit Approval, Moore Ranch

The Moore Ranch application for a Permit to Mine was submitted to the Wyoming Department of Environmental Quality (WDEQ), Land Quality Division District III, on October 31, 2007. This was essentially 16 months ago. For the preparation of the application, Uranium One followed the available WDEQ guidance for ISR applications, had discussions with District III personnel prior to the submittal, and reviewed various historic ISR application documents on file with WDEQ. *There was no mention of any requirement to submit wellfield packages in the permit application.* The first completeness and technical review comments from LQD District III were received on January 2, 2008. In this document, *there was no mention of any requirement to submit wellfield packages in the permit application.* The Moore Ranch application was deemed complete by LQD in July 2008, and again, *there was no mention of any requirement to submit wellfield packages in the permit application.* By letter dated January 23, 2009, Uranium One received additional technical review comments on the Moore Ranch application from LQD District III. As part of this review, there were comments alluding to the necessity to provide all detailed wellfield hydrologic testing and water quality sampling data for restoration from our wellfields. Specifically, the comments are:

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- WDEQ comment No. 103: *In addition, the text states "Additional (mine Unit) scale testing required by NRC and WDEQ will demonstrate communication throughout each mine unit between the pumping well(s) and the monitoring wells ring." EMC needs to provide this information as a component of this permit application.*
- WDEQ comment No. 239, Reclamation Plan: *This entire section needs to be updated and revised to provide **clear groundwater restoration standards specific to Wellfields 1, 2 and 3.***

In discussions with LQD District III, they have advised that the only way to comply with the two comments above is to install the monitor well ring for each wellfield, install the pump test wells within each wellfield, and to install the restoration baseline wells which will eventually become injection and production wells, and prepare the first wellfield package and make it part of the permit application. The process to do this without a WDEQ permit or an NRC license is as follows:

1. Wait until the NRC license is approved (expected November 2009). NRC has told EMC that installation of the operational monitor wells prior to the issuance of the license is specifically prohibited and if done, could cause a denial of the license.
2. While EMC is waiting for NRC approval of the license, we must obtain WDEQ approval of all well construction details, materials of construction details (casing types, etc.), MIT testing procedures, recommended spacing of monitor wells, water quality sampling procedures, pump test procedures, procedures for how UCLs and restoration target standards will be calculated, etc., prior to installing the wells. All of these details are contained in the permit application, but to receive permission to do this work prior to the WDEQ permit approval, we must submit this in the form of a request pursuant to §35-11-427.
3. Once WDEQ approves of the procedures, then we must wait for the NRC license approval to install the wells to obtain the data (the license is expected in November 2009). At this point, we can commence activities to install the wells, which will take about six to eight months. Additional wellfield delineation drilling will be necessary to confirm the actual edge of the wellfield so that monitor wells can be properly spaced. When the wells are installed, baseline water quality sampling can be performed. The pump test to assure communication between the wellfield and the outer monitor well ring will also be conducted. Testing will be done to assure that there is no communication with upper or lower aquifer monitor wells. These processes will take another 2 months for the testing and report writing. The laboratory analysis of monitor well samples, and interior restoration well samples, and subsequent reports will take another 2 months after the last sample is collected. So, we are talking about 10 to 12 months before the first



wellfield package is ready for submittal to the WDEQ (and NRC) for review and approval. Let's give WDEQ-LQD District III six months to do the review and approval. This equates to an additional 16 to 18 months to receive the Permit to Mine for Moore Ranch. And, this is only for the first wellfield. Characterizing the other wellfields prior to permit approval would be totally unreasonable.

What further compounds this situation is the fact that the Moore Ranch Processing Plant, trunklines that connect the plant to the wellfields, actual production and injection wells in the wellfields, and other necessary facilities, cannot be constructed until both the NRC and WDEQ permits are approved. First we have NRC license issuance in November 2009; then we can begin characterization of the first wellfield. Sixteen to 18 months later or say March 2011, we receive the WDEQ permit to mine. Then we must build the plant; plant construction will take an additional year, which now means that we could actually turn on the first wellfield in March 2012, or essentially 3 years from now. Quite frankly, if our board of directors had known that getting a permit to mine in Wyoming would take almost 5 years (includes one year of background data collection and permit preparation), they may have elected to spend their money elsewhere.

We are now faced with a dilemma for our Moore Ranch permit application. WDEQ is changing the rules of the game close to the time that they should be thinking about permit approval. This is unfair, especially since it has never been required in the 30 year history of ISR permitting in Wyoming. And, because of the production schedules/targets that will be missed by our corporation at Moore Ranch due to WDEQ changing the rules after 16 months of review, this could potentially create legal issues with Uranium One, our investors and our customers.

Requirement to Submit a Detailed Wellfield Package Prior to Permit Approval, JAB-Antelope

Uranium One submitted the mine permit application for the JAB-Antelope property to LQD District II on July 7, 2008. Completeness comments were received from District II by letter dated December 31, 2008, or one-hundred-seventy-seven (177) days from Uranium One's application submittal. §35-11-406(e) of the Wyoming Statutes requires the administrator to notify the applicant within sixty (60) days of submission whether or not it is complete. The issue here is not so much that the review was in violation of statute; the issue is that one of the comments requires the submittal of a complete wellfield data package prior to deeming the permit application complete (Comment No. 29: *The WDEQ/LQD Administrator has determined that a permit will not be approved, without a detailed wellfield package for at least the first mine unit as part of the application.*). Again, all of the above issues for Moore Ranch are essentially the same for the JAB-Antelope application. We are unfairly being asked to supply information that we had no idea would be required, almost six months after the submittal of the permit application. Furthermore, this issue was NOT an application completeness issue for our Lost Creek neighbors.



Uranium One strongly suggests that WDEQ reconsider their new requirement for the submittal of wellfield packages prior to permit approval for our ISR applications. There is a reason that for the past 30 years ISR permits have been issued first, with wellfield package approvals later as a condition of the permit, and that is the timing of construction. For all applications submitted prior to this new requirement, we suggest that wellfields be approved pursuant to a permit condition. For future applications, we suggest that WDEQ clearly state in rules and regulations what is required for wellfield packages and the timing of submittal so that corporations can make economic decisions prior to, submitting an application, not half way through the review.

We thank you for the opportunity to meet and discuss this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Donna L. Wichers".

Donna L. Wichers
Sr. Vice President, ISR Operations
Uranium One Americas

cc: R. Tarantola, J. Winter, M. Griffin – Uranium One Americas

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