

COLORADO OFFICE
10758 W. CENTENNIAL RD., STE. 200
LITTLETON, CO 80127
TEL: (866) 981-4588
FAX: (720)-981-5643



WYOMING OFFICE
5880 ENTERPRISE DR., STE. 200
CASPER, WY 82609
TEL: (307) 265-2373
FAX: (307) 265-2801

LOST CREEK ISR, LLC

February 1, 2010

Chief, Rulemaking and Directives Branch
U.S. Nuclear Regulatory Commission
Mail Stop TWB-05-B01
Washington, DC 20555-0001

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74FR65804

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RDB Rec'd.

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**Re: Comments on the Lost Creek Project Draft Supplemental Environmental Impact Statement
Docket No. 40-9068
TAC No. LU0142**

To Whom It May Concern:

Lost Creek ISR, LLC, with this letter, respectfully submits comments on the Draft Supplemental Environmental Impact Statement for the Lost Creek Project.

If you have any questions regarding this submittal, please feel free to contact me at the Casper office.

Regards,

Vice President Mining

Cc: Nancy Fitzsimmons – Ur-Energy USA Inc., Littleton

Lost Creek ISR, LLC is a wholly-owned subsidiary of Ur-Energy Inc.

TSX: URE
www.ur-energy.com

E-REDS = ADM-03

Call = A. Bjorsen (9665)

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Comments Regarding the Lost Creek Project SEIS

General Comments

Throughout the SEIS document there are references to a CPP (Central Processing Plant). Since this application does not include a satellite facility it is more appropriate to use the term Processing Plant.

When assigning an impact rating there is generally not a qualifier to clarify whether the impact is positive or negative. In most instances it is clear whether the impact is positive or negative but in many cases, especially when the text discusses both positive and negative aspects, it is not clear if the final rating is positive or negative.

The SEIS must refer to the license applied for by an applicant as a combined source and 11e.(2) byproduct material license (or a uranium recovery license). Describing the license as a source material license is incorrect.

NRC needs to be more specific as to what an "aquifer exemption" is and what it means to recover uranium in such an aquifer.

NRC needs to be clear that aquifer restoration, which is a sequential process, is separate from decommissioning and decontamination (D&D) which occurs at the end of the final restoration phase. For further clarification see the comment regarding Page 2-2, line 31.

NRC needs to consistently reference when a potential impact is "temporary."

NRC needs to be specific as to what their policy is going to be on wellfield package review by the agency. The SEIS appears to indicate that NRC Staff will review and approve *all* wellfield packages when or after monitor wells and injection/production wells are installed. It is Lost Creek ISR, LLC's (LC ISR) understanding that the NRC will only review wellfield packages until such time that NRC Staff is satisfied that the companies' Safety and Environmental Review Panel can adequately address changes at the facility. Specific examples of this issue are provided in the detailed comments below.

Specific Comments

Page iii, line 35: The conclusion statement is very weak and could be interpreted to mean that the NRC assessment concludes that environmental impacts are significant. LC ISR suggests the following language, *"Based on its environmental review, the NRC staff finds that environmental impacts of the proposed action (issuing a source and byproduct material license for the proposed Lost Creek Project) are acceptable and therefore the issuance of a combined source and 11e.(2) byproduct material license is a reasonable licensing decision."*

Page xiii, line 31: Correct the reference to source material license to include 11e.(2) byproduct material.

Page xiv, line 8: Please include the community of Wamsutter in the list of nearby communities. Wamsutter is approximately 30 miles south of the project.

Page xiv, line 19: Please add the word "permanently" in front of "exempted" to clarify that the EPA exemption provides permanent protection.

Page xiv, line 25: Please strike the word "leached" since it is not used in the proper context and insert the word "extracted".

Page xiv, line 36: Please remove the word dried since the application does not request a yellowcake drier and insert "processed" in its place. In line 37 please strike the reference to packaging in drums since the yellowcake slurry will be shipped in a tanker truck.

Page xvi, line 3: When summarizing impacts, socioeconomic impacts need to be divided into positive and negative impacts.

Page xviii, line 24: In the area of proposed operations the depth to the shallowest groundwater is on the order of 150 feet below ground level. Between the ground surface and the uppermost aquifer, DE horizon, there are numerous shale and siltstone aquitards that will prevent spills from migrating from the surface to the uppermost aquifer. Therefore, it is not realistic that a surface spill will result in contamination of "surface aquifers". In fact, there is no "surface aquifer" to be concerned about within the area proposed for impact. Please remove the discussion regarding surface aquifers or at least point out that depth and numerous aquitards will combine to prevent the migration of spills into the uppermost aquifer.

Page xviii, line 25: LC ISR does not intend to use land application of treated water. Also, LC ISR will have two relatively small holding ponds that will be used for surge capacity. It is not our intent to use the ponds for evaporation capacity. Please revise this paragraph to remove all references to land application and replace the term "evaporation pond" with "holding pond".

Page xix, line 19: Disposal of water through land application has not been proposed for the Lost Creek Project. Please revise this section by removing the reference to land application of treated water.

Page xix, line 27: The Wyoming Game and Fish Department (WYGF) is reviewing the Lost Creek Wildlife Monitoring and Protection Plan to determine the potential impacts on wildlife and what the necessary mitigations will be. WYGF, as part of this review, is considering the necessity of netting over the holding ponds. At this point, LC ISR has not committed to installing netting over the holding ponds nor has WYGF informed LC ISR of such a requirement.

Page xxiii, line 24: The results of direct gamma readings and soil sampling don't support the assertion that there are high concentrations of radionuclides in surface soils. Average concentrations may be naturally occurring and elevated but are not unusual for Wyoming and do not reach the level of being an issue for human health.

Page xxiii, line 27: The opening statement concludes that impacts could potentially be MODERATE. However, the remaining text defends a finding of SMALL impact. Please revise the opening sentence to make it clear that mitigating factors reduce the potential impact from MODERATE to SMALL.

Page xxiv, line 16: At the time the Environmental Report was written, very little was known about the availability of acceptable receiver zones for disposal of 11e.(2) at depth. However, in the interim, the collection of additional information revealed that the Fort Union Formation may be an acceptable formation for injection 11(e) 2 liquids. LC ISR has submitted an application to the Wyoming DEQ – Water Quality Division requesting permission to install Class I UIC wells into the Fort Union Formation which is approximately 6,000 feet below ground surface. The important point is not the depth of the receiving aquifer but that injection of 11e.(2) will only be into an aquifer approved by the Wyoming DEQ-Water Quality Division. In order to grant such an approval, the agency must ensure that such an activity is protective of the public and the environment.

Page xxiv, line 27: Both radioactive and non-radioactive 11e.(2) solid materials need to be disposed of off-site.

Page 1-2, line 6: NRC needs to do a better job of defining what constitutes an “unavoidable adverse environmental impact” up-front.

Page 1-8, line 31: Since the proposed action is not located within the borders of a reservation, tribal approval is not required for any licensing or permitting. Tribes do, however, play a significant role in reviewing, providing information and commenting on cultural resources and any proposed treatment plans for cultural resources. Please strike this specific reference to tribes since it is inappropriate in this context.

Page 1-10, line 22: The acronym USFWS is used here but is not defined in the acronym list.

Page 2-5, line 3: The reference to “Battle Creek Draw” should be to “Battle Spring Draw”.

Page 2-5, line 9: Please insert “Project” after “Lost Creek ISR”.

Page 2-5, line 36: In this paragraph the NRC attempts to summarize the process for generating yellowcake slurry. However, it is not technically correct to state that the wellfield solutions are concentrated. In fact, the uranium in wellfield solutions is extracted by ion exchange resin. The uranium is eluted off of the resin using a brine solution. The uranium is precipitated from the brine solution using hydrogen peroxide. The resulting slurry is then dewatered using a filter press.

Page 2-5, line 38: Please replace “6.9 m” with “6.7 m”.

Page 2-5, line 43: Please replace “hydrochloric acid” with “caustic soda”. The hydrochloric acid will be stored outdoors.

Page 2-5, line 44: Please replace “Oxygen and carbon dioxide tanks...” with “Carbon dioxide and hydrochloric acid tanks”. The oxygen tank will be located in or near the wellfields in order to minimize piping.

Page 2-8, lines 8-9: Please insert “and hydrochloric acid” after “diesel” since the acid will be stored outside the plant. Also, please remove the word “concrete” since engineering designs may specify another acceptable material for construction.

Page 2-8, line 25: Please replace “1.5 m (5 ft)” with “1.8 m (6 ft)”.

Page 2-8, line 26: Please replace “9 m (30 ft)” with “9.8 m (32 ft)”.

Page 2-8, line 46: The sentence regarding the amount of resource at the project area only includes the inferred resource of 1.1 million pounds of U₃O₈. Additionally, an estimated 9.8 million pounds of U₃O₈ at a grade of 0.058 percent is believed to be present.

Page 2-10, line 13: NRC needs to fully define why monitor wells are present, what excursions are, and the fact that monitor wells are an “early warning system” for both potential vertical and horizontal excursions.

Page 2-10, line 41: Please remove "or the satellite facility" since a satellite facility is not being considered with this application.

Page 2-14, line 6: Valves will be installed on all injection and production well meter runs. However, these manual valves are not controlled from the processing plant. Therefore, please delete "and control" from the text.

Page 2-14, lines 13-14: Please delete "There may be one or more for any given well field".

Page 2-15, line 45: This statement needs to be re-written. Uranium recovery does not generate excess water that "contains 11e.(2)." The entirety of the water is 11e.(2).

Page 2-16, line 20: With regard to notifying the NRC of an excursion, verbal reporting will be performed within 48 hours, not 24 hours, of receiving confirmation of an excursion. A written report will be submitted to the NRC within 30 days instead of the seven indicated in the SEIS.

Page 2-16, line 26: Please delete "as yellowcake" and insert "into yellowcake slurry"

Page 2-16, line 27: Please replace "elution, precipitation, drying and packaging." with "elution and precipitation" since a dryer is not being considered as part of this application.

Page 2-20, line 14: Please strike the reference to ammonia since this chemical will not be used at the site.

Page 2-20, line 20: Please indicate that yellowcake slurry may also be sent to a facility licensed by an agreement state.

Page 2-20, line 25-27: Please replace "The operation of Mine Unit 1 is anticipated to begin operation in early in 2012 and continue through late 2013 when Mine Unit 6 ceases to become productive." with "Production operations are anticipated to begin with Mine Unit 1 in 2011 and continue through early 2018 when Mine Unit 6 ceases to be productive."

Page 2-20, line 25: Strike the work "operating" and insert "in production" to allow for additional mine units to be in groundwater restoration.

Page 2-21, line 3: WDEQ does not require samples to be submitted to the agency for verification analysis. Please strike the last phrase of this sentence.

Page 2-21, line 2: Please delete "either in evaporation ponds or" since there will be no evaporation ponds.

Page 2-21, line 44: Reductant is added to re-reduce and precipitate metals brought into solution by the oxidation of the ore body; not due to carbonate complexes. Please strike the reference to carbonate complexes and insert oxidation.

Page 2-22, line 3: Approximately 99% of the salts will remain in the brine solution; not 25 to 40% as indicated in the text.

Page 2-22, line 21: The text implies that NRC and WDEQ must approve of restoration before stabilization begins. This is incorrect since the approval process for both agencies comes at the end of stabilization.

Page 2-22, line 31: NRC's analysis considers restoration as a separate issue from decommissioning and decontamination. If restoration is indeed separate, there is no 10 CFR 40.42 timeliness requirement applied and, therefore, no alternative schedule is needed. Please clarify if restoration is part of decontamination and decommissioning and is therefore under the 10 CFR 40.42 timeliness requirements.

Page 2-22, line 34: Please insert "the" before "aquifer". Replace "late" with "early".

Page 2-22, line 35: Please replace "mid 2016" with "late 2020".

Page 2-22, line 47: Please add wellfields to list of locations that must be reclaimed and decommissioned.

Page 2-23, line 25: In fact, topsoil will always be stripped, handled and stockpiled separately from subsoil per WDEQ regulations. Please strike this statement.

Page 2-24, line 22: Please insert "per mine unit" after "year".

Page 2-24, line 26: Solid wastes can be either 11e.(2) byproduct or non-11e.(2). Please clarify that the solid waste can be either type.

Page 2-24, line 34: Please replace "(from well drilling) during various stages of the processing system" with "during various stages of construction and processing."

Page 2-25, line 36: Although one deep well is proposed for the southwestern portion of the site, the remaining wells will be evenly distributed throughout the remainder of the project area so they do not interfere with each other. Please revise the statement to allow for installation of the wells throughout the project area.

Page 2-25, line 39: Please replace "maximum" with "nominal".

Page 2-25, line 44: Please replace "dispose of" with "temporarily store the".

Page 2-25, line 47: Elution circuit bleed is only one source of waste water that will be sent to the deep wells. Liquid 11e.(2) byproduct from any source may be sent to the deep wells for disposal as long as the quality and quantity limitations in the Class I UIC Permit are satisfied. Please revise the statement to allow for disposal in the deep wells of all other sources of liquid 11e.(2) byproduct.

Page 2-28, line 32: Please delete "ion exchange resins," since these will be processed on-site instead of shipped to other facilities.

Page 2-28, line 47: The units for the amount of solid non-11e.(2) waste generated annually should be cubic yards instead of pounds.

Page 3-2, line 23: LC ISR is unaware of any rivers within 20 miles large enough to raft on. Please delete the reference to river rafting.

Page 3-4, line 38: The nearest two lane paved road is Mineral-X Road CR63.

Page 3-5, line 9: The reference to Table 3.3-1 is incorrect. Please reference Table 3.2-1 instead.

Page 3-5, line 11: Please revise sentence to say, "Lost Creek ISR plans to upgrade two roads to access the site."

Page 3-10, line 10: Please strike the last portion of the sentence that says, "in the location of the pumping tests".

Page 3-13, line 41: Referring to the headwaters of a dry continental basin that only has ephemeral drainage could be somewhat misleading. Instead of referring to headwaters LC ISR suggests referring to "upper drainage".

Page 3-18, line 14: Recently collected data reveals that the depth to the Mesa Verde is substantially greater than 7,500 feet below the ground surface; it is more likely on the order of 14,000 feet below ground surface. Based on the recently collected data LC ISR has determined that the Mesa Verde will not be the receiver zone for the Class I UIC well(s).

Page 3-21, line 29: It appears that values from the ER were not transferred accurately to the SEIS. Please replace "60.3" with "57" and "100.5" with "110".

Page 3-21, line 45: Please replace “a really” with “an”. The present description is subjective.

Page 3-22, line 24: Wyoming Groundwater Standards present five classes of water instead of the three presented in the SEIS.

Page 3-25, Table 3-2: Please remove “(total)” in the chromium row since this is a measurement of dissolved chromium and not total.

Page 3-25, line 10: The correct well names are LC27M and LC28M instead of LCM27M and LCM28M.

Page 3-26, line 12: The water quality at the Lost Creek has yet to be officially classified by WDEQ. However, the water quality will likely be Class IV and not Class VI as presented in the SEIS.

Page 3-29, line 19: The Lance Formation is actually Upper Cretaceous and not Tertiary in age.

Page 3-29, line 37-44: At the time the Environmental Report was written, very little was known about the availability of acceptable receiver zones for disposal of 11e.(2) at depth. However, in the interim, the collection of additional information revealed that the Fort Union Formation may be an acceptable formation for injection 11(e) 2 liquids. LC ISR has submitted an application to the Wyoming DEQ – Water Quality Division requesting permission to install Class I UIC wells into the Fort Union Formation which is approximately 6,000 feet below ground surface. The water quality of the Fort Union exceeds drinking water standards for TDS and other parameters. The important point is not the depth of the receiving aquifer but that injection of 11e.(2) will only be into an aquifer approved by the Wyoming DEQ-Water Quality Division. In order to grant such an approval, the agency must ensure that such an activity is protective of the public and the environment.

Also, the recently collected data reveals that the depth to the Mesa Verde is substantially greater than 8,400 feet below the ground surface; it is more likely on the order of 14,000 feet below ground surface.

Page 3-37, Lines 3 and 4: The SEIS text states “LCI intends to request the WGFD to reclassify the lek as Unoccupied/Abandoned based on this information.” Clarification of the status of the Crooked Well Lek, based on informal and formal surveys conducted from 1986 to 2009, was requested from WGFD in June 2009. In their July 2009 response, WGFD indicated the lek should be referred to as ‘Occupied - Inactive’. LC ISR has sent NRC a copy of everything sent to the State and to BLM, including copies of the June and July 2009 correspondence (as part of the WDEQ-LQD application).

Page 3-37, line 13: The reference should be to Table 3-5 instead of Table 3-6. Also, the text refers to 12 raptor nests but the table only lists 4 sites. Please correct the apparent discrepancy.

Page 3-39, line 23: The reference should be to Table 3-4 instead of Table 3-5.

Page 3-40, lines 30-37: The text provides a discussion of black footed ferrets but does not state if they are present or not at the project area. Please clarify in the text that black footed ferrets are not present in the area of the project.

Pages 3-42, line 13-25: There is no mention in the ER of Ute's ladies tresses orchids. Per the following BLM website, all of the populations of these orchids are in the eastern portion of the state:

<http://www.blm.gov/pgdata/etc/medialib/blm/wy/programs/botany/docs.Par.33555.File.dat/UteLadTrOrchid.pdf>.

In addition, the Lost Creek site does not contain appropriate habitat for the Ute's Ladies tresses orchid. Therefore, the discussion of the Ute's ladies tresses orchid should not be included in the SEIS for Lost Creek.

Page 3-52, line 14: The reference should be to Table 3-8 instead of to Table 3-9.

Page 3-55, line 14: The Crooked Well lek should be noted as “just inside” the area and not “just outside”.

Page 3-55, line 31: The reference to Battle Spring is to a location several miles outside the permit area which is not associated with the Crooked Well Reservoir. There are no known springs associated with the Crooked Well Reservoir or anywhere else within the permit area.

Page 3-63, line 26: The reference should be to Table 3-11 instead of Table 3-13

Page 3-69, line 7: After the Environmental Report was written, NRC's Technical Review group asked LC ISR to sample beef tissue to verify the baseline conditions. LC ISR agreed to sample two head of beef and subsequently collected the samples. The results of the sampling will be provided to NRC in the near future.

Page 3-70, line 14: The Wyoming Department of Labor (State OSHA Program) recently replaced the Wyoming Division of Mine Inspection as the agency with regulatory authority over occupational health issues at in situ mines.

Page 3-70, line 27: The reference to ISR wellfield waste is confusing as any contaminated items will be 11e.(2) and will not be disposed of in municipal facilities. Non-contaminated items, which are not 11e.(2) will be disposed of at municipal facilities."

Page 3-71, line 8: The title of this section would more appropriately read "11e.(2) Byproduct.

Page 3-71, line 10: The Pathfinder Basin tailings impoundment is in the Shirley Basin; not in Mills, WY as stated in the GEIS.

Page 3-53, line 14: The reference should be to Table 3-9 instead of Table 3-11.

Page 4-9, line 16: The word "to" should be removed.

Page 4-9, line 35: This sentence should add a qualifier that the material being discussed is in fact "solid" 11e.(2) since liquid 11e.(2) will be disposed of on-site.

Page 4-20, lines 19-26: LC ISR does not intend to use land application of treated water. Also, LC ISR will have two relatively small holding ponds that will be used for surge capacity. It is not our intent to use the ponds for evaporation capacity. Evaporation ponds are designed to be shallow with a large surface area to aid in evaporation. By contrast, the holding ponds designed for Lost Creek are relatively deep with a small surface area. Please revise this paragraph to remove all references to land application and replace the term "evaporation pond" with "holding pond".

Page 4-24, line 10-12: The two sentences need to be combined into one. Also, please replace the words "monitoring equipment" with "routine inspections" since ephemeral drainages will not be outfitted with monitoring equipment.

Page 4-25, line 19: It is not standard practice to surround wells in ephemeral drainages with swales and/or rip rap. Instead, LC ISR proposes to install surface casing around wellheads as an added level of protection. Given that the proposed wellfields are near the tops of hills we do not expect significant flow in the drainages. Water tight wellheads will also be used to prevent water from flowing into the wellhead.

Page 4-29, line 8: Although one water well completed in the FG will be used to supply water for drilling rigs, additional wells have been permitted through the State Engineer's Office. These wells are completed in horizons other than the FG.

Page 4-29, lines 10 and 15: The DE aquifer could better be described as the uppermost aquifer instead of the surficial aquifer since numerous shales and siltstones separate this aquifer from the surface. These aquitards will prevent surface spills from reaching the DE aquifer.

Page 4-29, line 24: As clarification, the leak detection system will be located between the two synthetic liners. Also, the two synthetic liners will sit on soil that has been compacted to the point that it will significantly slow the migration of fluids.

Page 4-33, line 27: The production bleed may be as high as 1.5% but would typically be less than 1%.

Page 4-33, line 34: Corrective actions for excursion nearly always occur within the exempted area instead of from outside the exempted area. Indeed, corrective actions are not required to be performed from outside the exempted area.

Page 4-34, line 41: The NRC has explained to LC ISR that review and approval of mine unit data packages will only continue until such time that the NRC is comfortable with our SERP Process. In other words, the NRC may not be reviewing all wellfield data packages. Please clarify this in the text of the SEIS.

Page 4-34, line 47: Please insert the word "vertical" before "excursions" so the text addresses both horizontal and vertical excursions.

Page 4-35, line 43-44: The sentence is confusing as it is currently written. LC ISR suggests the sentence be revised to read, "Consequently, based on WDEQ's technical assessment, it is believed that the impact to the aquifer underlying the deep well receiver zone would be SMALL."

Page 4-36, line 14: The use of the term "slurries" to describe brine sent to the deep well is misleading since this term is typically reserved for fluids with a significant fraction of suspended solids. The brine will be filtered to less than 10 microns and thus will have virtually no suspended solids. Therefore, please strike the word "slurries".

Page 4-37, line 6: Suggest replacing the word "potent" with "hazardous".

Page 4-37, line 47: Pursuant to WDEQ regulations the text should state "cement and/or clay" instead of "cement or clay". Also, since this document will be read mostly by American and not British reviewers, please replace the word "plough" with "plow".

Page 4-43, line 21: It is imperative that employees be able to travel off of the main road. All employees will be trained to minimize impacts while off the main and secondary roads. Please strike the reference to employees being restricted to the main road.

Page 4-43, line 38: Many of the vents at the processing plant run continuously at high velocity. Therefore, wildlife will not attempt to enter these vents and netting or covers are not necessary. However, LC ISR will net or otherwise cover all vents that may be attractive homes for wildlife. Please revise the language of the SEIS accordingly.

Page 4-44 line 5: LC ISR has not committed to the burial of secondary and tertiary transmission lines but has committed to burial of electrical lines after transforming. Please revise the text accordingly.

Page 4-53, line 43: Please insert the word "or" after the word "lost".

Page 4-61, line 39: The population of Lamont is on the order of two people and therefore should not be considered a community. Please remove Lamont from the list of potentially impacted communities.

Page 4-62, line 11: Hearing protection is regulated by OSHA in 29 CFR 1910.95 instead of by EPA as implied by the reference. Also, hearing protection is required if an employee is exposed to an 8-hour time weighted average of 85 decibels or greater instead of the 70 stated in the SEIS.

Page 4-68, line 32: The entire project area, not just areas of planned disturbance, has been surveyed by a professional archeologist so please strike the reference to the need for additional studies in areas that have not already been studied. The same issue is raised on Page 4-69 line 26 and Page 4-66 line 5.

Page 4-74, line 35: Remove the words "prior to" and insert "post".

Page 4-75, Section 4.11: The Socioeconomic section tends to focus on potential negative impacts without consideration of the significant positive impacts. LC ISR believes the assessment should more carefully consider the following positive impacts and weigh those against the negative impacts when assigning a final impact rating.

Specifically, LC ISR believes the NRC should consider the value of the uranium that will be produced from the facility. At today's market price the uranium produced from the project will add \$360,000,000 to the nation's Gross Domestic Product at a time the federal government is spending billions of dollars in an attempt to stimulate the nation's economy. The Lost Creek Project will provide a significant boost to the immediate area's diversity and economic health while not requiring a single dollar of stimulus money.

The benefits described in Chapter 7 seem to be limited to severance tax revenues and jobs, with no quantification of the additional spending that will result from the payrolls and other on-going expenditures. These expenditures tend to multiply as the monies are circulated throughout the community several times. Sales taxes and increased demand for goods and services will also tend to prop up prices and further support the local economy as it endeavors to recover from or stay out of the recession.

The analysis fails to mention dollars that would likely be reinvested in the community as the company seeks to replenish its resources and operate its existing facilities over the mine life. Exploration and evaluation, maintenance, sustaining capital and routine operating costs, could each contribute additional benefit to the local communities. It would be difficult to estimate precisely how much of the operating, capital and exploration budget would be spent locally, but it would likely have more than a SMALL benefit.

The nation's nuclear power plants currently consume around 56 million pounds of U_3O_8 per year while the nation's uranium mines only produce approximately 4 million pounds per year. The addition of the Lost Creek Facility will reduce our dependence on foreign sources of uranium while helping to maintain a viable domestic work force with the necessary technical skills to recover uranium resources. Over the past 20 years, due to market conditions, the technical expertise needed to recover uranium has dwindled to an unacceptable level. LC ISR estimates that currently there are fewer than 20 engineers and 20 geologists in the U.S. with the experience to successfully and safely operate an in situ uranium facility. A large percentage of these experts are at retirement age.

Finally, and perhaps most importantly, the facility will provide around 90 direct jobs locally with a significant number of indirect jobs across the state and nation as companies gear up to supply the facility with necessary equipment and materials. These jobs come at no cost to the federal government that is currently spending billions of dollars to create jobs. These 90 jobs will also help stem the tide of the state's growing unemployment which reached 7.5% in December 2009.

LC ISR believes it is improper that the NRC's evaluation of socioeconomic impacts results in only negative impacts; especially at a time when literally millions of Americans are without jobs. The NRC's socioeconomic evaluation could be interpreted to mean that we should not create jobs because job growth will result in growing pains for the housing market and education system. Please reassess the socioeconomic impacts while appropriately balancing the negative and positive impacts. LC ISR believes that it is appropriate to have positive impacts in a NEPA review when circumstances merit.

Page 4-79, line 25: This portion of the SEIS, which discusses operational impacts, states that drilling will diminish during operations. This statement could be misleading because drilling will not decrease until the final wellfield is installed. Please clarify this in the verbiage.

Page 4-80, line 33: At the time the draft SEIS was written the housing market in communities surrounding the project were somewhat stressed due to a booming energy industry. However, over the past months the energy sector has seen a significant decline which has resulted in a more stable housing market. As of January 13, 2010 there were 504 homes listed under the Multi-Listing Service (MLS) in Casper. This total does not include homes that were for sale by the owner without the aid of a listing agency. The largest rental agency in Casper, Casper Rental Agency, had a total of 173 vacant rental properties on January 12, 2010. Rawlins had at least 88 homes on the market on January 25, 2010. This total does not include homes that were for sale by the owner without the aid of a listing agency. Rawlins had a total of 30 vacant rental units on January 16, 2010 (based on a count of rentals advertised in the Rawlins Daily Times and information from contacting rental agencies). Additionally, both Casper and Rawlins have a large number of residential lots for sale. Data was not collected for other communities within driving distance to the Lost Creek Project such as Lander, Wamsutter, Bairoil, and Jeffry City since most employees will likely live in Casper or Rawlins. Therefore, the minimum number of rentals and homes presently available in Casper and Rawlins is 795.

The Draft SEIS conservatively estimates in Section 7.2.2 that a total of 63 new families will move into the area and require housing (purchase of home or rental). Assuming none of these families elect to build homes, less than 8% of the currently available housing would be consumed. Approximately 20% of the work force for the project was hired from 2005 thru 2009. Therefore, the impact from these employees was spread over several years and will not be a part of the influx of families associated with the startup of operations. The above formulas do not take this into account so the impact will actually be approximately 20% less than presented.

The NRC should also take note that communities such as Wamsutter are investing significant sums of money to attract people to their community.

Given the availability of housing described above it seems the impact will be SMALL Positive instead of MODERATE negative.

Page 4-81, lines 2-26: This portion of the analysis determines that the Lost Creek Project will have a negative impact on employment diversity. LC ISR believes the methodology used to make this determination is flawed because it appears to lump all extractive industries together. The oil and gas industry, which is a significant but declining employer in the immediate area, is very different than in situ recovery of uranium and in fact the boom and bust cycles experienced by the oil and gas industry are independent of uranium prices. Therefore, uranium mining will tend to smooth the economic boom and bust cycles experienced in the region that are caused by fluctuations in oil and gas prices.

Further, while there is significant mining in western Sweetwater County, the mines, coal and trona, are a considerable distance away from the Lost Creek Project and like oil and gas do not follow the same economic cycles as in situ uranium. The Lost Creek Project will be the first in situ project in the region. In fact, the nearest active uranium recovery facility is about 150 miles away.

When determining the impact to economic diversity, please base the assessment on uranium recovery as an independent industry instead of as an extractive industry with the same economic fluctuations as oil and gas and other types of mining activity.

Page 4-82, line 4-18: This section of the Draft SEIS determines that the impact to the region's education system will be MODERATE. However, LC ISR believes the determination of MODERATE impact is errantly large. LC ISR performed additional analysis to support a conclusion of SMALL impact:

This section of the Draft SEIS states that there will be a maximum of 80 employees. For this calculation let's assume a total of 63 new families move into the area (see Section 7.2.2 of the draft SEIS). If an average person has a working career of 45 years they can expect to have school age children in the home for approximately 17 of those years (38% of the time). Assuming each family has 1.88 children (U.S. Census Bureau, 2004 Report) the following equation can be used to estimate the number of school age children:

$63 \text{ families} \times \text{School age children in the home } 38\% \text{ of time} \times 1.88 \text{ children per family (U.S. Bureau of Census, 2004)} = 45 \text{ children in school}$

The communities of Casper, Wamsutter, Jeffrey City and Rawlins currently have 12,916 students. Therefore, an increase of 45 students represents an **increase of 0.35%** in the student population. Another way to look at this equation is to assume a student to teacher ratio of 15. Therefore, each of the aforementioned school districts would have to hire less than one teacher per district if the affected classes are already full (45 students / 15 teachers per student = **3.0 teachers**).

Finally, approximately 20% of the work force for the project was hired from 2005 thru 2009. Therefore, the impact from these employees was spread over several years and will not be a part of the influx of families associated with the startup of operations. The above formulas do not take this into account so the impact will actually be approximately 20% less than presented.

Based on this analysis, LC ISR asserts that the impact to the region's education system will be SMALL instead of MODERATE Negative.

Page 4-88, line 7: Please clarify what table is being referred to.

Page 4-92, lines 3-12: The list of chemicals does not include hydrochloric acid even though LC ISR plans to use it at the facility and it is discussed on line 24 of page 4-92 of the Draft SEIS.

Page 4-92, lines 23 and 39: The Wyoming Department of Labor (State OSHA Program) recently replaced the Wyoming Division of Mine Inspection as the agency with regulatory authority over occupational health issues at in situ mines; including regulation of chemical safety.

Page 4-92, line 38: There are no plans to use ammonia at the site. Please remove ammonia from the list of chemicals.

Page 4-97, page 41; Page 4-100, line 1 and Page 4-100, line 24: These sections state that solid non 11e.(2) material will be sent to the Sweetwater Co District #1 Landfill in Rock Springs. It is far more likely that such waste will be sent to the Carbon County Landfill north of Rawlins. Also, states, not counties, regulate waste disposal at landfills.

Page 4-99, line 22: The sentence states that deep well injection will be greater than 8,000 feet deep. At the time the Environmental Report was written, very little was known about the availability of acceptable receiver zones for disposal of 11e.(2) at depth. However, in the interim, the collection of additional information revealed that the Fort Union Formation may be an acceptable formation for injection of 11(e) 2 liquids. LC ISR has submitted an application to the Wyoming DEQ – Water Quality Division requesting permission to install Class I UIC wells into the Fort Union Formation which is approximately 6,000 feet below ground surface. The important point is not the depth of the receiving aquifer but that injection of 11e.(2) will only be into an aquifer approved by the Wyoming DEQ-Water Quality Division. In order to grant such an approval, the agency must ensure that such an activity is protective of the public and the environment.

Page 5-5, line 10: The reference should be to Table 5-4 instead of Table 5-2.

Page 5-17, line 5: Mitigation will likely occur for only one of the three eligible cultural resource sites since two of the sites are outside the area of any planned impact.

Page 6-8, line 7: The NRC has explained to LC ISR that review and approval of mine unit data packages will only continue until such time that the NRC is comfortable with our SERP Process. In other words, the NRC may not be reviewing all wellfield data packages. Please clarify this in the text of the SEIS.

Page 6-9, line 26-28: Please strike the sentence requiring a 30 day confirmatory period since this is not a requirement, or even guidance, from the NRC or WDEQ.

Page 6-9, line 41-44: The NRC has explained to LC ISR that review and approval of mine unit data packages will only continue until such time that the NRC is comfortable with our SERP Process. In other words, the NRC may not be reviewing all wellfield data packages. Please clarify this in the text of the SEIS.

Page 6-13, line 19: Wildlife inventory and monitoring may also be completed by a qualified scientist employed by LC ISR. There is no requirement that such monitoring be performed by a third party entity.

Page 8-4: The table, under Section 4.5.2.1 column Irreversible and Irrecoverable Commitment of Resources, states that stock wells may be irretrievably affected by drawdown. However, the text in Section 4.5.2.1 states that water levels will recover although it may take several years. Please correct the table to be consistent with the findings in Section 4.5.2.1 that water levels will indeed recover although it may take several years. The impact is not irretrievable.