

Bjornsen, Alan

From: Cash, John [John.Cash@ur-energyusa.com]
Sent: Thursday, July 15, 2010 3:46 PM
To: Bjornsen, Alan
Subject: Air Quality Permit
Attachments: administrator@ur-energyusa.com_20100201_151748.pdf

F/118



Department of Environmental Quality

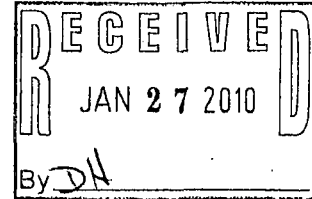


To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

January 4, 2010



Mr. John Cash
Manager EHS & Reg Affairs
Lost Creek ISR, LLC
5880 Enterprise Drive, Suite 200
Casper, WY 82609

Re: Air Quality Permit CT-7896

Dear Mr. Cash:

Enclosed is the air quality permit to construct the Lost Creek ISR Project, which will utilize the in-situ recovery method to extract uranium and produce up to two (2) million pounds per year of yellowcake (U₃O₈). The Lost Creek ISR Processing Plant is located in Section 18, T25N, R92W, approximately twenty-two (22) miles southwest of Bairoil, in Sweetwater County, Wyoming. Comments received on December 17, 2009 from Lost Creek ISR, LLC were considered in the final permit.

Comment: Lost Creek ISR, LLC commented that it has been their intention to produce up to two (2) million pounds of yellowcake per year as the facility has been designed for two (2) million pounds with one (1) million pounds of yellowcake derived from the well field and another one (1) million from toll processing of slurry or resin from other facilities in the region.

Response: The application indicated that 500 tons (1 million pounds) of yellowcake would be produced. However, the Division didn't realize that this was only indicative of the well field and not the facility. Based on communications with Mr. John Cash (Lost Creek ISR, LLC), emission calculations for the facility are based on it producing two (2) million pounds of yellowcake. Therefore, the Division will revise Condition 11 of the permit to indicate that the facility may produce two (2) million pounds of yellowcake with only one (1) million pounds authorized from the associated well field.

Comment: Lost Creek ISR, LLC commented that although the analysis states the facility will use a closed loop uranium processing system for in-situ uranium recovery to prevent the release of radon emissions, radon can and will be emitted due to certain process activities.

Response: The Division acknowledges that there are potential radon emissions from the facility due to certain process activities. The Division proposed Condition 9 in the analysis, which requires radon emission control equipment to be operated and maintained at all times the facility is operating, to address potential radon emissions.

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Lost Creek ISR, LLC
Response to Comments (CT-7896)
Page 2

Comment: Lost Creek ISR, LLC commented that "...MILDOS AREA predicted total doses of less than 10 mrem/year" on page 7 should be less than 0.018 mrem/yr.

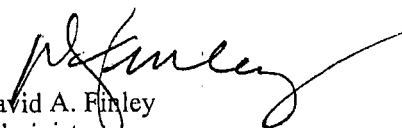
Response: The Division considers the statement on page 7 of the analysis to be accurate as the statement reads "For populations within 80 kilometers and beyond 80 kilometers, MILDOS-AREA predicted total doses of less than 10 mrem/yr." The value of 0.018 mrem/yr as indicated by Lost Creek ISR, LLC correlates with a population within 80 km based on information provided to the Division.

Comment: Lost Creek ISR, LLC commented that Condition 10 of the proposed permit requires control of dust from the facility to pavement. Given the remoteness of the facility and the limited traffic associated with in-situ mining Lost Creek ISR, LLC proposes to control dust on primary access roads which they have management authority over. These include the proposed gravel access road from the county Wamsutter-Crooks Gap Road to the processing plant and the proposed access road from BLM Sooner Road to the processing plant.

Response: Condition 10 proposed that that main road from the processing plant to pavement be treated with water and/or chemical dust suppressants on a schedule sufficient to control fugitive dust emissions with vehicle traffic. However, in reviewing the BACT analysis for haul roads for the facility, the costs to treat the unpaved roads with magnesium chloride and water was for 8.5 miles of road associated with the processing plant. The proposed roads as described in the comment match the 8.5 miles associated with the BACT analysis. Therefore, the Division will revise Condition 10 to specify the roads to be treated with magnesium chloride and water.

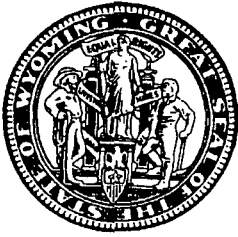
If we may be of further assistance to you, please feel free to contact this office.

Sincerely,



David A. Finley
Administrator
Air Quality Division

cc: Tony Hoyt



Department of Environmental Quality



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Dave Freudenthal, Governor

John Corra, Director

January 4, 2010

Mr. John Cash
Manager EHS & Reg Affairs
Lost Creek ISR, LLC
5880 Enterprise Drive, Suite 200
Casper, WY 82609

Permit No. CT-7896

Dear Mr. Cash:

The Division of Air Quality of the Wyoming Department of Environmental Quality has completed final review of Lost Creek ISR, LLC's application to construct the Lost Creek ISR Project, consisting of a processing plant and well field, which will utilize the in-situ recovery method to extract uranium and produce up to two (2) million pounds per year of yellowcake (U₃O₈). The Lost Creek ISR Processing Plant is located in Section 18, T25N, R92W, approximately twenty-two (22) miles southwest of Bairoil, in Sweetwater County, Wyoming.

Following this agency's proposed approval of the request as published December 3, 2009 and in accordance with Chapter 6, Section 2(m) of the Wyoming Air Quality Standards and Regulations, the public was afforded a 30-day period in which to submit comments concerning the proposed new source, and an opportunity for a public hearing. No public comments have been received. Therefore, on the basis of the information provided to us, approval to construct the Lost Creek ISR Project as described in the application is hereby granted pursuant to Chapter 6, Section 2 of the regulations with the following conditions:

1. That authorized representatives of the Division of Air Quality be given permission to enter and inspect any property, premise or place on or at which an air pollution source is located or is being constructed or installed for the purpose of investigating actual or potential sources of air pollution and for determining compliance or non-compliance with any rules, standards, permits or orders.
2. That all substantive commitments and descriptions set forth in the application for this permit, unless superseded by a specific condition of this permit, are incorporated herein by this reference and are enforceable as conditions of this permit.
3. That a permit to operate in accordance with Chapter 6, Section 2(a)(iii) of the WAQSR is required after a 120-day startup period in order to operate this facility.
4. That all notifications, reports and correspondences associated with this permit shall be submitted to the Stationary Source Compliance Program Manager, Air Quality Division, 122 West 25th Street, Cheyenne, WY 82002 and a copy shall be submitted to the District Engineer, Air Quality Division, 510 Meadowview Drive, Lander, WY 82520.
5. That written notification of the anticipated date of initial startup, in accordance with Chapter 6, Section 2(i) of the WAQSR, is required not more than 60 days or less than 30 days prior to such date. Notification of the actual date of startup is required within 15 days after startup.

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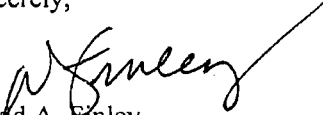
6. That the date of commencement of construction shall be reported to the Administrator within 30 days of commencement. In accordance with Chapter 6, Section 2(h) of the WAQSR, approval to construct or modify shall become invalid if construction is not commenced within 24 months after receipt of such approval or if construction is discontinued for a period of 24 months or more. The Administrator may extend the period based on satisfactory justification of the requested extension.
7. That HCl emissions from loading the storage tanks shall be controlled with a scrubber.
8. That the scrubber shall be maintained such that it remains a viable means of controlling HCl emissions. A log of the maintenance activities and visual inspections, including addition of caustic, shall be kept and made available to the Division upon request.
9. Radon emission control equipment, all vent lines, connections, fittings, valves, relief valves, hatches or any other appurtenance employed to contain and collect vapors, shall be maintained and operated during any time the facility is operating such that the radon emissions are controlled at all times. Records shall be maintained noting dates and durations of times during such operation when any control system or device or the associated containment and collection equipment is not functioning to control radon emissions as required by this permit.
10. That Lost Creek ISR, LLC shall treat the gravel access road from the county Wamsutter-Crooks Gap Road to the processing plant and the access road from BLM Sooner Road to the processing plant (see Appendix A) with water and/or chemical dust suppressants on a schedule sufficient to control fugitive dust from vehicular traffic. At a minimum, two (2) applications of chemical dust suppressant shall be applied annually in accordance with the manufacturer's recommendations. The chemical dust suppressant shall be maintained continuously to the extent that it remains a viable control measure, which may require additional applications. All unpaved portions of the access road shall receive an initial treatment of chemical dust suppressant prior to any hauling activities.
11. That Lost Creek ISR, LLC shall be limited to two (2) million pounds of yellowcake (U_3O_8) from the processing plant with one (1) million pounds of yellowcake (U_3O_8) per year being produced from the associated in-situ well field. Records of yellowcake production shall be kept and maintained and shall be made available to the Division upon request.
12. That all records required by this permit shall be kept for a period of at least 5 years and shall be made available to the Division upon request.

It must be noted that this approval does not relieve you of your obligation to comply with all applicable county, state, and federal standards, regulations or ordinances. Special attention must be given to Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations, which details the requirements for compliance with conditions 3, 5, and 6. Any appeal of this permit as a final action of the Department must be made to the Environmental Quality Council within sixty (60) days of permit issuance per Section 16, Chapter I, General Rules of Practice and Procedure, Department of Environmental Quality.

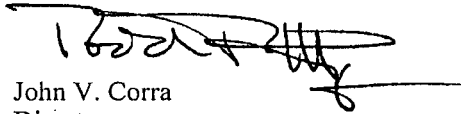
Lost Creek ISR, LLC
Air Quality Permit CT-7896
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If we may be of further assistance to you, please feel free to contact this office.

Sincerely,



David A. Finley
Administrator
Air Quality Division



John V. Corra
Director
Dept. of Environmental Quality

cc: Tony Hoyt

Appendix A
Lost Creek ISR Treated Roads

