



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

November 19, 2009

Donald A. Simpson
State Director
Bureau of Land Management
Wyoming State Office
P.O. Box 1828
Cheyenne, WY 82003-1828

SUBJECT: REQUEST TO COOPERATE WITH THE NUCLEAR REGULATORY
COMMISSION FOR THE SUPPLEMENTAL ENVIRONMENTAL IMPACT
STATEMENT BEING PREPARED FOR URANERZ ENERGY CORPORATION
FOR THE NICHOLS RANCH IN-SITU RECOVERY PROJECT

Dear Mr. Simpson:

This letter responds to your letter dated September 9, 2009, to Ms. Irene Yu, Environmental Project Manager for the U.S. Nuclear Regulatory Commission (NRC) requesting that the Bureau of Land Management (BLM) be designated as a cooperating agency for the SEIS related to Uranerz Energy Corporation's application to NRC for a new source material license for the Nichols Ranch In-Situ Recovery project. A draft of the SEIS will soon be released for public comment.

We fully understand that this project would impact lands administered by the BLM in Wyoming and that the Buffalo Field Office has received a Plan of Operations from the Uranerz Energy Corporation. As such, we have been coordinating closely with the BLM during our review of this facility, including holding periodic meetings and sharing drafts of documents under development, and addressing resulting comments. We believe the close interaction that we have had with BLM on this review has improved the quality of the review. We hope that our interactions will lead to efficiencies in the BLM permitting decision.

In tandem with our review, NRC and BLM staff have been developing a Memorandum of Understanding between the NRC and the BLM on in-situ uranium recovery projects. This memorandum establishes a cooperating agency status between our agencies. After this memorandum is signed by both agencies and beginning in 2010, we plan to use it in the review of applications that are in their early stages. This will allow us to effectively integrate BLM as a cooperating agency into these reviews.

Our review of this project has been going on for sometime and we will not be able to effectively integrate the BLM as a cooperating agency into our review. This does not mean we will be unresponsive to concerns you may have about this proposed project. NRC staff will continue to coordinate closely with BLM on this application, we will be responsive to any public comments we receive from BLM on the Draft SEIS, and we look forward to a cooperating agency relationship with you on future environmental reviews.

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D.A. Simpson

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Ms. Irene Yu (301-415-1951; Irene.Yu@nrc.gov); is the principle NRC point of contact for interactions with BLM on this project.

Sincerely,

/RA/

Patrice Bubar, Deputy Director
Environmental Protection
and Performance Assessment Directorate
Division of Waste Management
and Environment Protection
Office of Federal and State Materials
and Environmental Management Programs