

January 11, 2011

Mr. Michael Thomas
Environmental, Safety, and Health Manager
Uranerz Energy Corporation
1701 East "E" Street
P.O. Box 50850
Casper, WY 82605-0850

SUBJECT: SUMMARY OF DECEMBER 20, 2010 MEETING AND TELECONFERENCE
WITH URANERZ ENERGY CORPORATION TO DISCUSS THE NICHOLS
RANCH SOURCE MATERIALS LICENSE APPLICATION AND DRAFT
MATERIALS LICENSE (TAC J00553)

Dear Mr. Thomas:

A summary of the meeting between U. S. Nuclear Regulatory Commission (NRC) staff and representatives of Uranerz Energy Corporation (Uranerz) on December 20, 2010, is enclosed. There are no actions required by either Uranerz or NRC staff, however, both parties agreed to continue discussing several of the draft license conditions discussed during the meeting. If you have any questions regarding this letter or the enclosed meeting summary, please contact me at (301) 415-7777, or by email at ron.linton@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 component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

/RA/

Ron C. Linton, Project Manager
Uranium Recovery Licensing Branch
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.: 040-09067

Enclosure: Meeting Summary

cc: Meeting Attendees
G. Mooney (WDEQ)

Mr. Michael Thomas
Environmental, Safety, and Health Manager
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Date	12/28 /10	12/ 29 /10	01/05 /11	01/11/11

OFFICIAL RECORD COPY

MEETING REPORT

DATE: December 20, 2010

TIME: 10:00 a.m. – 1:00 p.m.

PLACE: U.S. Nuclear Regulatory Commission
Two White Flint North, Rockville, Maryland
Room T8C5

PURPOSE: Meeting and Teleconference with Uranerz Energy Corporation to Discuss Nichols Ranch Source Materials License Application and Draft Materials License

ATTENDEES: See Attached Attendee List

BACKGROUND:

The purpose of this meeting was for Uranerz Energy Corporation (Uranerz) and Nuclear Regulatory Commission (NRC) staff to discuss the Nichols Ranch in-situ recovery facility license application and the draft Materials License dated November 16, 2010.

The meeting and teleconference started at 10:00 a.m. Eastern time in room T8C5. An opening statement was presented by Ron Linton, NRC. Meeting attendees were recorded.

DISCUSSION:

Staff from Uranerz and NRC discussed the content of several draft license conditions (LC) as proposed by the NRC staff in the Draft Source Materials License SUA-1597 with cover letter dated November 16, 2010. The following items were discussed:

LC #	Issue
9.8	Uranerz: Wording on Date of Memorandum of Understanding; can the date be removed since commitment to mitigation is made in license application? NRC Response: This issue will be discussed further with NRC staff and the Office of the General Counsel.
10.1	Uranerz: Uranerz would like to revise condition to match Moore Ranch license. NRC Response: NRC staff will consider proposed changes in wording, provided it is consistent with the Uranerz application.
10.2	Uranerz: Facility throughput should be revised to show that the Nichols Ranch facility is licensed for 2 million pounds (lbs), not 500,000 lbs. Section 1.1 of application states 2 million lbs. Flow rate should be expressed as an average. NRC Response: Staff acknowledged facility throughput of 2 million lbs is in the application. The application indicated 500,000 lbs would be the initial throughput which was the basis of the 500,000 lbs in the initial LC. NRC staff will consider proposed changes in wording.
10.9	Uranerz: Can language be changed from pilot test to hydraulic test? NRC Response: NRC staff will consider proposed changes in wording.

10.10	<p>Uranerz: This should be Hank Unit 1 only; performance-based license should apply to Hank Unit 2.</p> <p>NRC Response: Uranerz application indicates hydraulic pump tests will be submitted to NRC for review and approval; application does not separate out different production areas. The staff will further discuss and will consider proposed changes in wording.</p>
10.11	<p>Uranerz: Discussion and clarification as to how many trend wells on Hank Unit up gradient side, sampling time frame, etc. Would like to change 15 days to be less prescriptive language.</p> <p>NRC Response: Staff will require current trend well spacing, which is based on modeling results. Staff indicated that a license amendment could be requested in the future once more data becomes available. The staff will consider proposed changes in 15 day requirement.</p>
10.12	<p>Uranerz: Discussion of second paragraph. Uranerz has committed to two disposal wells prior to operations, not two at each unit.</p> <p>NRC Response: Staff will consider the request and license condition language proposed by Uranerz provided Uranerz can demonstrate adequate disposal capacity to control well field fluids if one well is lost for an extended period.</p>
10.15	<p>Uranerz: Discussion of LC; can this be combined with LC 11.7?</p> <p>NRC Response: Staff will consider the request.</p>
11.3	<p>Uranerz: Would like to discuss wording of LC.</p> <p>NRC Response: NRC staff stated proposed LC 12.8 should be eliminated and moved to LC 11.3. Sampling for surficial aquifer should be consistent with what is currently listed in LC 11.3 C.</p>
11.5	<p>Uranerz: Would like to discuss third paragraph wording, "cleanup is complete," and fourth paragraph to add "or email."</p> <p>NRC Response: Staff will consider the request.</p>
11.7	<p>Uranerz: Can this be combined with LC 10.15?</p> <p>NRC Response: Staff will consider the request.</p>
12.4	<p>Uranerz: Would like to discuss this LC.</p> <p>NRC Response: This may need to be an operational condition and is designed to ensure Uranerz will notify NRC of any new wells that may come into use during the operation of the facility.</p>
12.7	<p>Uranerz: Would like to discuss this LC and why additional meteorological data is needed.</p> <p>NRC Response: NRC staff will further evaluate.</p>
12.8	<p>Uranerz: Would like to discuss this LC.</p> <p>NRC Response: NRC staff will likely remove this LC and make changes to LC 11.3 as previously discussed.</p>
12.9	<p>Uranerz: This information is already collected and presented in Section 2.9.6 of License Application.</p> <p>NRC Response: NRC staff will further evaluate.</p>
12.10	<p>Uranerz: Would like to discuss this LC and the timing of when this information is needed.</p> <p>NRC Response: NRC staff will further evaluate and may be able to further clarify this condition in terms of timing of the information required.</p>
12.11	<p>Uranerz: Would like to discuss this LC, but that it seemed okay.</p> <p>NRC Response: No response.</p>

12.12	<p>Uranerz: Would like to discuss this LC and need for sampling 2 kilometers from the site.</p> <p>NRC Response: NRC staff will further evaluate and clarify that the distance likely should be from the well field monitoring well ring, not licensed boundary.</p>
12.13	<p>Uranerz: No problem with the language, but doesn't LC 12.3 cover this information?</p> <p>NRC Response: NRC staff will further evaluate, however, the information requested in LC 12.13 is more specific than what is requested LC 12.3.</p>
12.14	<p>Uranerz: Would like to discuss this LC and what is NRC looking for such as RESRAD?</p> <p>NRC Response: NRC staff indicated RESRAD would be an option, and does not see need for clarification.</p>

PUBLIC DISCUSSION:

There was no public discussion.

ACTION ITEMS:

NRC will provide a detailed meeting summary of the issues discussed.

The meeting and teleconference ended at approximately 1:00 p.m. eastern time.

ATTACHMENTS:

1. Attendee List
2. Meeting Agenda



MEETING ATTENDEES

Topic: Meeting and Teleconference to Discuss Uranerz Energy Corporation's Source Material License Application - Nichols Ranch Hank Unit Hydrology

Date: May 17, 2010

NAME	AFFILIATION	PHONE NUMBER	E-MAIL
Glen Catchpole	Uranerz Energy Corporation	307-265-8900	gcatchpole@uranerz.com
George Hartman *	Uranerz Energy Corporation	307-265-8900	ghartman@uranerz.com
Mike Thomas	Uranerz Energy Corporation	307-265-8900	mthomas@uranerz.com
George Hoffman	Uranerz consultant	307-266-6597	hydro@alluretech.net
Craig Holmes *	Uranerz consultant	307-265-8900	pommelhouse@sbcglobal.net
Steve Brown *	Uranerz consultant	303-524-1519	sbrown@senes.ca
Curt Brown *	Uranerz Energy Corporation	307-265-8900	kbrown@uranerz.com
Rob Miller *	Uranerz consultant	918-489-5851	rhmillier@omega-ps.com
Thomas Youngblood	NRC	301-415-5875	thomas.youngblood@nrc.gov
Elise Striz	NRC	301-415-0708	elise.striz@nrc.gov
Bill VonTill	NRC	301-415-0598	bill.vontill@nrc.gov
Ron Linton	NRC	301-415-7777	ron.linton@nrc.gov
Doug Mandeville	NRC	301-415-0724	douglas.mandeville@nrc.gov

* Attended via phone

Attachment 1

MEETING AGENDA
Uranerz Energy Corporation
December 20, 2010

MEETING PURPOSE: Meeting and Teleconference to Discuss Uranerz Energy Corporation's Source Material License Application.

MEETING PROCESS:

<u>Time</u>	<u>Topic</u>	<u>Lead</u>
10:00 a.m.	Introductions	All
	Discuss the Nichols Ranch ISR Project Draft License	All
	If time allows – Introduce the Jane Dough Project	Uranerz
	Summary of Action Items	Moderator
	Public Comment/Questions	Moderator
3:00 p.m.	Adjourn	