

June 14, 2011

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

SUBJECT: REVISED DRAFT SOURCE AND BYPRODUCT MATERIALS LICENSE,
URANERZ ENERGY CORPORATION, NICHOLS RANCH URANIUM IN-SITU
RECOVERY PROJECT, CAMPBELL AND JOHNSON COUNTIES, WYOMING
(TAC J00553)

Dear Mr. Thomas:

On December 17, 2007, Uranerz Energy Corporation (Uranerz) submitted a license application, dated November 30, 2007, to the U.S. Nuclear Regulatory Commission (NRC) for a Source and Byproduct Materials License for the extraction and recovery of uranium at its Nichols Ranch In-Situ Recovery (ISR) Project. The application was amended by submissions from Uranerz dated March 11, 2009, February 24, 2010, and September 15, 2010. The NRC staff reviewed the amended application and developed a draft license that was sent to Uranerz on November 16, 2010. On December 20, 2010, the NRC staff held a public meeting with Uranerz to discuss the draft license conditions for the proposed Nichols Ranch ISR Project. By letter dated December 29, 2010, Uranerz provided revised language for some of the conditions in the draft license. Staff reviewed the proposed changes and provided a revised draft license to Uranerz on March 10, 2011. Staff discussed the revised license conditions with you via phone and, as a result of that call, has made a few minor changes to the license. Additionally, a review of the license by staff found that two license conditions related to equipment calibration and training could be removed due to redundancy with other conditions. The staff has developed a revised draft license that is enclosed with this letter.

Please note that this revised draft license does not constitute a final licensing decision by the NRC staff. Please review the enclosed draft license and provide comments or confirmation that Uranerz agrees with these license conditions within 30 days of receipt of this letter. The staff is available to meet with you to discuss the draft license; however, a public meeting with Uranerz requires 10 days prior notice. Comments on this revised draft license can be provided via letter or email.

If you have any questions concerning the above, please contact me at (301) 415-0724, or via email at Ron.Linton@nrc.gov.

M. Thomas

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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 document system (ADAMS). ADAMS is accessible from the NRC Website 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:
Revised Draft Source Materials License

cc: G. Mooney (WDEQ)
A. Edwards (WDEQ)

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Sincerely,

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:
Draft Source Material License

cc: G. Mooney (WDEQ)
A. Edwards (WDEQ)

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