

December 20, 2012

Chairman G. Tex Hall
Mandan, Hidatsa & Arikara Nation
Three Affiliated Tribes
404 Frontage Road
New Town, ND 58763-9404

SUBJECT: INVITATION FOR SECTION 106 CONSULTATIONS PURSUANT TO THE
NATIONAL HISTORIC PRESERVATION ACT REGARDING THE CAMECO
RESOURCES LICENSE RENEWAL APPLICATION FOR THE SMITH RANCH
HIGHLAND URANIUM PROJECT

Dear Chairman Hall:

On August 12, 2010, Power Resources, Inc. d/b/a Cameco Resources (Cameco) submitted an application to the U.S. Nuclear Regulatory Commission (NRC) to renew source material license SUA-1548, which authorizes *in-situ* uranium recovery (ISR) operations at Cameco's Smith Ranch Highland Uranium Project and its related satellite facilities. On February 1, 2012, Cameco submitted to the NRC a revised license renewal application for the Smith Ranch Highland Uranium Project. The project includes existing and planned ISR facilities at the following locations: (1) the Smith Ranch, Highland, and Reynolds Ranch properties in Converse County, Wyoming; (2) the Gas Hills property in Fremont and Natrona Counties, Wyoming; (3) the North Butte property in Campbell County, Wyoming; and (4) the Ruth property in Johnson County, Wyoming. Enclosures 1 and 2 provide maps showing first the general locations of these properties under the Smith Ranch Highland Uranium Project, and secondly, the adjoining Smith Ranch, Highland, and Reynolds Ranch properties.

The ISR process, also known as *in-situ* leach milling, is used to recover uranium from below-ground, low-grade ore deposits that are not economically recoverable by conventional surface or underground mining and milling techniques. In the ISR process, chemicals, such as oxygen with sodium carbonate, are added to local ground water and then injected through wells into the underground ore body. This chemical solution dissolves the uranium in the ore body, and the mineral-laden solution is then pumped through other wells to the surface where further processing occurs. The processing includes removing the uranium from the solution using resin beads contained in ion exchange columns, washing the resin beads to free and concentrate the uranium, precipitating the uranium from the wash solution, and then filtering and drying the resulting uranium product. This product, a mixture of uranium oxides also known as "yellowcake," is sealed in drums prior to shipment offsite for further processing. Eventually, the yellowcake can be used to make fuel for nuclear power plants and other products.

Currently, Cameco is conducting ISR operations at the Smith Ranch and Highland properties and has begun construction of ISR satellite facilities at the Reynolds Ranch and North Butte properties under the current NRC license. Cameco has no plans to develop the Ruth property within the next 10 years. Potentially adverse impacts to identified historic and cultural resources were evaluated during previous licensing actions for the Smith Ranch Highland Uranium Project, but would be re-evaluated as part of this current undertaking. Enclosure 3 provides a

description of (1) previous licensing actions, (2) current and proposed activities, and (3) previous historic and cultural resource surveys for each property.

The *Atomic Energy Act* of 1954, as amended (AEA), authorizes the NRC to issue and renew licenses for the possession and use of source material and by-product material. The AEA authorizes the NRC to license facilities that meet NRC regulatory requirements designed to protect public health and safety and the environment from radiological hazards.

In accordance with Title 10 of the *Code of Federal Regulations*, Part 51 (10 CFR Part 51), the NRC regulations that implement the National Environmental Policy Act of 1969, as amended (NEPA), the NRC is preparing an environmental assessment (EA) for the proposed license renewal action. In accordance with 36 CFR Part 800.8 (Coordination with the National Environmental Policy Act), the NRC staff is using the NEPA process to comply with its obligations under Section 106 of the National Historic Preservation Act of 1966, as amended (NHPA). The EA will also include analyses of potential impacts to historic and cultural resources. The NRC staff is collecting information to facilitate the identification of historic properties, including those that may be of religious and cultural significance to Tribes.

Accordingly, the NRC staff is identifying parties who may wish to consult on the proposed action. Through this letter, the NRC staff invites you to participate as a consulting party under Section 106 of the NHPA and assist in the identification and evaluation of historic properties that may be affected by the proposed action and in the development of alternatives and proposed measures that might avoid, minimize, or mitigate any adverse effects of the proposed action on historic properties. For the Gas Hills ISR property, the U.S. Bureau of Land Management is the lead federal agency for Section 106 consultation.

Please indicate whether or not you wish to participate as a consulting party by completing the enclosed form (Enclosure 4). The NRC requests that the enclosed form be returned within 30 days of your receipt of this letter. You may also contact us if you want to discuss concerns about the confidentiality of information that may be provided to the NRC.

Please note that correspondence provided to the NRC, including that provided by email, may be made publicly available according to NRC's policy. Therefore, the NRC cautions you against including any information in your submission that you do not want to be publicly disclosed (e.g., personal email addresses). If Tribal officials do not wish for their personal email addresses to be made public, please use an alternate email address when corresponding with the NRC.

For additional information regarding the proposed action, Cameco's license renewal application is publicly available from the NRC's Agency Wide Documents Access and Management System (ADAMS). You may access publicly available documents online in the NRC library at: <http://www.nrc.gov/reading-rm/adams.html>. The accession number for Cameco's revised application is ML121590502, and is available online through ADAMS. Details pertaining to the project and application review schedule are available on the project's web page at <http://www.nrc.gov/materials/uranium-recovery/license-apps/smith-ranch.html>.

If you have any specific questions or comments on the proposed project, or need any additional information regarding the license renewal application, please contact Mr. Douglas Mandeville at 301-415-0724 or by email at Douglas.Mandeville@nrc.gov. For information about the environmental review process or the Section 106 process for this project, please contact Mr. James Park of my staff by telephone at 301-415-6935, or by email at James.Park@nrc.gov.

Sincerely,

/RA/

Larry W. Camper, Director
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket No.: 40-8964

Enclosures:

1. Map of Project Locations
2. Map of Smith Ranch, Highland,
and Reynolds Ranch Properties
3. Description of Activities
4. Tribal Response Form

cc: Mr. Josh Leftwich – Cameco
Mr. Elgin Crows Breast, THPO

T. Hall

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Mr. Elgin Crows Breast, THPO

DISTRIBUTION: A. Persinko D. Mandeville K. O'Sullivan

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OFC	DWMEP	DWMEP	DWMEP	DWMEP
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DATE	7/17/12	7/17/12	7/17/12	7/18/12
OFC	OGC	DWMEP	DWMEP	DWMEP
NAME	JOlmstead via email	KHsueh	KHsueh for AMohseni	LCamper
DATE	11/29/12	12/10/12	12/11/12	12/20/12

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