

June 13, 2013

Ms. Mary Hopkins
State Historic Preservation Officer
Wyoming State Historic
Preservation Office
2301 Central Avenue
Barrett Building, Third Floor
Cheyenne, WY 82002

SUBJECT: NOTIFICATION AND REQUEST FOR CONSULTATION REGARDING AUC
LLC's PROPOSED RENO CREEK URANIUM RECOVERY PROJECT –
LICENSE REQUEST (DOCKET NO. 040-09092)

Dear Ms. Hopkins:

The U.S. Nuclear Regulatory Commission (NRC) has received an application dated October 3, 2012, from AUC LLC (AUC) for a source materials license to authorize AUC to construct and operate an In-Situ Uranium Recovery (ISR) facility at the proposed Reno Creek project site in the Powder River Basin near Wright, Wyoming. The facility, if licensed, would use an ISR technology to extract uranium at the Reno Creek Project site. The proposed project area consists of 6,057 acres and is located in Campbell County, Wyoming between the communities of Wright, Edgerton, and Gillette. The application states that the total area of disturbed lands will be 154 acres and the remaining land will be a combination of controlled, restricted and unrestricted access areas. The area of potential effect for this review is the area at the Reno Creek site and its immediate environs, which may be impacted by activities associated with the construction and operation of the proposed facility. The site is located 8 miles outside of the Pumpkin Buttes TCP area. A map showing the proposed project location is enclosed.

The ISR process, also known as in-situ leach milling, is used to recover uranium from low-grade ores or deeper deposits that are not economically recoverable by conventional mining and milling techniques. In this process, a leaching agent, such as oxygen with sodium carbonate, is injected through wells into the underground ore body to dissolve the uranium. The mineral-laden solution is pumped to the surface through ion exchange columns. The uranium in the solution adheres to resin beads in the columns. The resin beads are then transported to a processing plant where the uranium is washed off the beads and dried. The resultant product, a mixture of uranium oxides also known as "yellowcake," is placed in drums prior to shipment offsite for further processing. Eventually, this processed material can be used to make fuel for nuclear power plants and other products.

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 byproduct 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.

As part of the environmental review, the NRC would prepare a supplemental environmental impact statement (SEIS) to the *Generic Environmental Impact Statement for In-Situ Leach Facilities* (NUREG-1910). This SEIS would be prepared in accordance with the regulatory provision in Title 10 of the *Code of Federal Regulations* Part 51 (10 CFR Part 51). These regulations implement the requirements of the National Environmental Policy Act of 1969 (NEPA), as amended (Public Law 91-190), which requires the Federal government to assess the potential environmental impacts of major Federal actions that may significantly affect the human environment.

The NRC staff also provides notice that in accordance with 36 CFR §800.8(c), the NRC is using the NEPA process to comply with the Section 106 of the National Historic Preservation Act of 1966, as amended (NHPA) requirements in lieu of the procedures set forth in 36 CFR §§800.3 through 800.6. Accordingly, the NRC staff is identifying parties and inviting them to consult with the NRC staff on this matter. Consultation will include participation in the identification of cultural, historic and archaeological properties within the area of potential effect for the project; assessment of the effects of the proposed action on any such properties identified; and development of alternatives and proposed measures that might avoid, minimize, or mitigate any adverse effects of the proposed action on such properties. The SEIS will include analyses of potential impacts to cultural, historic and archaeological properties and will document the NRC staff's determinations.

Through this letter, the NRC staff initiates consultation under Section 106 of the NHPA with the Wyoming State Historic Preservation Officer regarding the AUC application. To support the environmental review and implementation of the Section 106 process through NEPA, the NRC requests that your office provide information, comments or concerns you consider appropriate with regard to cultural, historic or archaeological resources of interest that may be affected by an amendment to the AUC license. Any information you provide will be helpful in developing the scope and quality of our review in accordance with 10 CFR Part 51.

The NRC also sent out letters to 20 tribes that may be interested in consulting on the identification of historic properties. We are specifically requesting information on identification of sites that may have traditional religious or cultural significance to Native American Tribes that may be affected by the proposed action.

After reviewing all the information collected and consultation with your office, the NRC plans to issue the draft SEIS in mid-2014. At that time, we will send you a copy of the draft SEIS for your review and comment.

For additional information regarding the proposed undertaking, AUC's license application is publicly available from the NRC's Agency Wide Documents Access and Management System (ADAMS). The ADAMS Public Electronic Reading Room is accessible at: <http://www.nrc.gov/reading-rm/adams.html>. The accession number for the package for AUC's source materials application is ML122890785 and is available online through ADAMS.

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If you have any specific questions or comments on the proposed project, or need any additional information regarding the license application and the environmental review process, please contact Ms. Jill Caverly of my staff by telephone at 301-415-6699, or by email at Jill.Caverly@nrc.gov. The NRC looks forward to working with you on this matter.

Sincerely,

/RA/

Aby Mohseni, Deputy Director
Environmental Protection
and Performance Assessment Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket No.: 40-9092

Enclosure: Map

cc: James Viellanave, AUC LLC

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Sincerely,

Aby Mohseni, Deputy Director
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Docket No.: 40-9092

Enclosure: Map

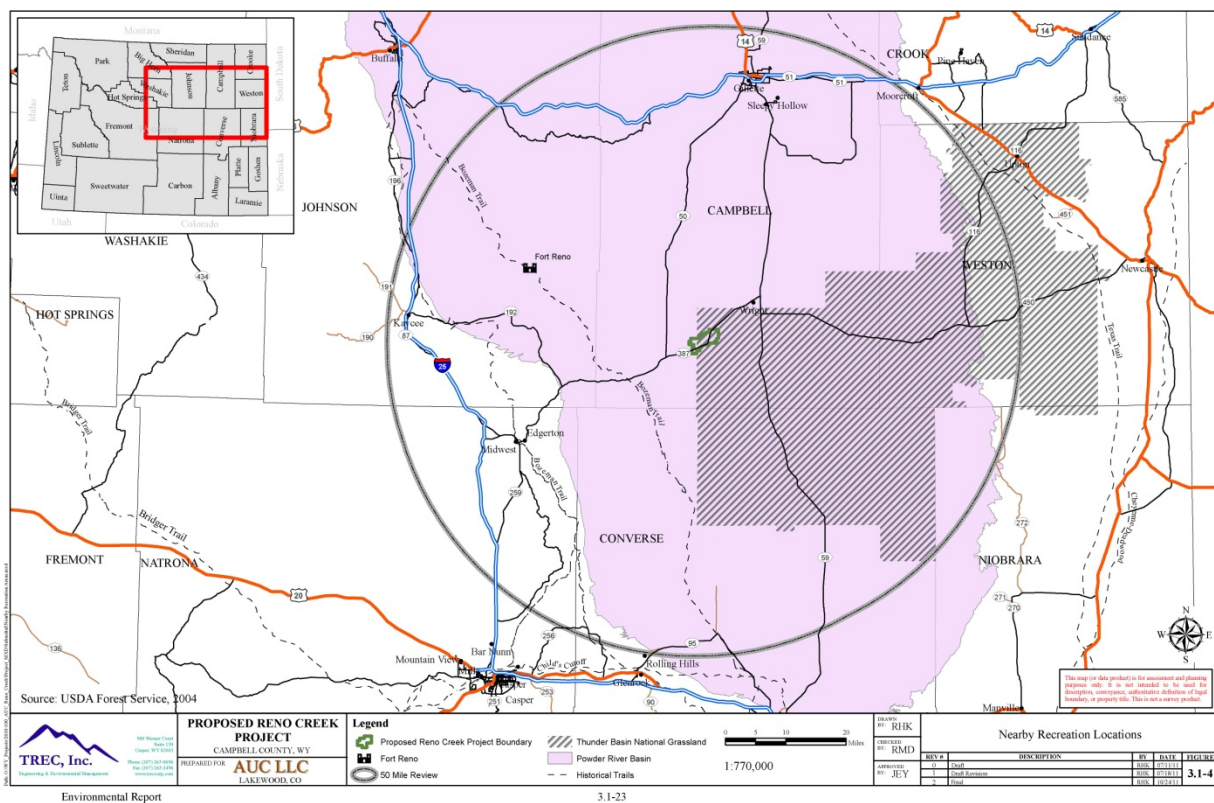
cc: James Viellanave, AUC LLC

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OFC:	DWMEP	DWMEP	OGC	DWMEP	DWMEP
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DATE:	5/13/13	5/14/13	6/3/13	6/03/13	6/13/13

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Enclosure