Site Visit to the Proposed Jane Dough Unit Amendment to the Nichols Ranch In Situ Uranium Recovery Project Campbell and Johnson Counties, Wyoming September 15, 2015

Meeting Participants:

Dave Brown, Lead Project Manager, Safety Review, NRC
Ashley Waldron, Project Manager, Environmental Review, NRC
Lloyd Desotell, Safety Review, NRC
Lydia Chang, Environmental Branch Chief, NRC
Marla Morales, Principal Investigator, CNWRA
Mike Thomas, Uranerz
Dawn Kolkman, Uranerz
Royal Pond, Uranerz
John McCarthy, Uranerz
Bruce Larson, Uranerz
Bernard Bonifas, Uranerz
Christine Schlagenhaufer, Uranerz
Nathan Fleming, Contractor, TRC

Introduction:

In May 2014, Uranerz submitted an application to amend Source Materials License SUA–1597 for the Nichols Ranch in situ uranium recovery (ISR) Project. The amendment, if approved, would authorize Uranerz to expand its operations to the Jane Dough Unit. The proposed project area consists of 3,680 acres of privately owned land and is located in Johnson and Campbell Counties, Wyoming, between the communities of Casper and Gillette.

This proposed amendment to the existing Nichols Ranch ISR Source Materials License requires an Environmental Assessment (EA), pursuant to NRC regulations at 10 CFR 51.21. Before developing an EA, the NRC staff conducts an acceptance review of the applicant's environmental report (ER) that is submitted with the license application to evaluate whether a detailed environmental review can be initiated. As part of the review, NRC may develop requests for additional information (RAIs) if the applicant's ER is found to have missing information. Once the submitted information is adequate and the detailed review is complete, a draft EA is developed and issued for comment to applicable state government or other government agencies. The comments received on the draft EA are reviewed and addressed in the final EA.

The NRC and contractor staff from Center for Nuclear Waste Regulatory Analyses participated in a site visit to the proposed project location on September 15, 2015, to gather firsthand information about the site and proposed action and to learn more about the contents of the ER and technical report by interacting directly with the Uranerz staff. During the site tour, the NRC staff elicited information and concerns from the applicant pertaining to the proposed Jane Dough project.

Site Visit:

On September 15, 2015, Mr. Mike Thomas of Uranerz, along with other Uranerz staff members and Uranerz contractor TRC, guided the group through approximately 5 field stops over 4 hours. The stops provided an overview of the entire proposed project area and highlighted the wellfield areas planned to have the most activity. During the site visit, the NRC and CNWRA staff sought clarification on topics including waste management, groundwater and surface water characteristics, transportation networks, air quality, ecology, public and occupational health, and land use.

In the afternoon, some members of the NRC staff remained at the central processing plant to discuss National Historic Preservation Act (NHPA) Section 106 activities. The NRC and Uranerz staff discussed the sensitivities and regulatory requirements involved in the Section 106 activities. The NRC staff discussed the status of the Section 106 consultation. The NRC has initiated the Section 106 process, which included establishing the undertaking, identifying Tribes, State Historic Preservation Officer, and other potentially interested parties and reaching out to them via letter and following up with phone calls to confirm their interest in the project. The NRC staff then discussed next steps, which includes identification of historic properties. The NRC will develop the area of potential effect (APE) and share with all consulting properties. The NRC will plan to host a webinar to familiarize all interested parties with the Jane Dough project. A Tribal site visit would also occur if parties determine there is a need for one.

The NRC and Uranerz staff also discussed the recently passed Wyoming Trespass Law (*W.S. 6-3-414*), to understand any potential implications it may have with future activities and the ability to gain access to the Jane Dough site.

The Staff that did not participate in the Section 106 discussion continued touring the site, visiting coalbed methane (CBM) outfalls, surface water features, and sampling stations.

During the tour of the proposed site with the Uranerz staff, NRC noted that most of the operational area of the site is grassland with flat to gently rolling hill topography. The Uranerz staff stated that the land and mineral rights within the project boundary are all privately owned. Uranerz described the land use within the area as predominately agricultural-livestock grazing with additional activity from oil and gas and CBM operations. Uranerz discussed that due to the current price of uranium a phased approach was being developed for the wellfields. Wellfield operations would transition from the Nichols Unit to the Jane Dough Unit (if the amendment is approved) before moving on to the Hank Unit. Additionally, the Uranerz staff informed the NRC staff that the Bureau of Land Management Memorandum of Agreement (MOA) for the Hank Unit had been completed and all participating parties had signed. The Uranerz staff stated that as a result of the MOA completion, they could move forward with the development of the Hank Unit, which was included in the original license. Uranerz noted that if the Jane Dough amendment was approved, Uranerz plans to develop the Jane Dough Unit prior to the Hank Unit.

<u>Follow-up Actions:</u> The NRC staff indicated to Uranerz that the topics of discussion that were not fully clarified will be included in RAIs to Uranerz. Additional questions regarding erosion characteristics and surface water systems will be referred to the Wyoming Department of Environmental Quality-Land, Air, and Water Divisions.