



November 7, 2016

Attn: Document Control Desk
Director, Scott Moore
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Attn: Deputy Director
Division of Decommissioning, Uranium Recovery and Waste Programs
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
11545 Rockville Pike, Mail Stop T-8F5
Rockville, MD 20852-2738

Re: Uranerz Energy Corporation, Nichols Ranch ISR Project, Source Materials License SUA-1597, Request for Administrative Revisions to the License with Jane Dough License Amendment (TAC No. J00726, J00875)

Dear Director Moore,

Uranerz Energy Corporation (Uranerz) has reviewed the existing license and has noted that some conditions are outdated and may need to be revised or removed. Uranerz has therefore included a list of license conditions and recommended changes for NRC's consideration with the issuance of the Jane Dough Amendment approval.

Condition 9.2 – The licensee shall conduct operations in accordance with the commitments, representations, and statements contained in the license application dated November 30, 2007 as amended by submission dated... February 19, 2014, February 28, 2014, March 6, 2014 and March 11, 2014... which are hereby incorporated by reference, except where superseded by specific conditions in this license.

Recommendation - Uranerz proposes to reduce duplication of some of the tie down letters in Condition 9.2 by combining documents dated February 19, 2014, February 28, 2014, March 6, 2014 and March 11, 2014 into one comprehensive document which would replace these four documents. The combination of these documents into one helps both NRC staff as well as Uranerz staff in that it clarifies expectations, reduces potential conflicts, and provides one final record of documentation pertaining to former License Condition 12.8 regarding procedures associated with the airborne effluent and environmental monitoring program. A copy of the final document associated with former License Condition 12.8 is attached for NRC review and consideration.

Condition 9.7 (3rd Paragraph) - The licensee may identify qualified designee(s) to perform daily inspections in the absence of the RSO(s) and radiation safety technician(s) (RSTs). The qualified



designee(s) shall have health physics training as specified in the licensee's training program. The qualified designee(s) shall only perform the inspections on weekends or holidays when the RSO(s) and RST(s) are not present, and in any case no more than three (3) consecutive days per week, except when a holiday falls on a Monday or Thanksgiving (4 days). Reports from qualified designees shall be reviewed by the RSO(s) or RST(s) by the close of business on the first day a RSO or RST returns to work. The RSO or RST review shall be annotated with date and time on the report or other document that can be inspected upon request. If neither an RSO nor an RST can review documents and perform the walk-through for more than three (3) days (e.g., holidays or adverse weather events), an RSO or RST shall call the qualified designee and review previous un-reviewed reports and current operational conditions over the phone.

Recommendation - Uranerz recommends to revise the fifth sentence to remove the words 'and time'. The sentence prior already requires that reports be reviewed by the close of business on the first day an RSO or RST returns to work making the annotated date necessary but the annotated time unnecessary.

Condition 10.4C – Conduct of its bioassay program and the determination of internal dose (e.g. CEDE) from bioassay data 60 days prior to commencing operations. The licensee will provide a plan or operations procedures to limit the soluble intake to 10 mg per week for uranium.

Recommendation – Uranerz requests that this condition be removed. This condition was applicable as a pre-operational item and was completed with the notification from Uranerz to NRC dated June 12, 2012. The bioassay program was reviewed during the pre-operational inspection as reported by the NRC Team Inspection 040-09067/13-001 dated April 17, 2014.

Condition 10.7(b) – The licensee will update or confirm the restoration schedule for Hank Unit Production Area (PA) #1 and #2 at the completion of the hydrologic test in the Hank Unit as required by this license. The licensee will provide a basis to the NRC for review and approval for any alternate schedule that meets the requirements of 10 CFR 40.42.

Recommendation - Uranerz requests that this condition be removed. Uranerz submitted an updated schedule by letter dated February 4, 2016 but has received no response from NRC. Furthermore, this condition is also duplicative of NRC regulations in 10 CFR 40.42, including clarifying guidance found in Regulatory Issue Summary 2015-19, Revision 1, dated September 27, 2016, and License Condition 10.6, which states "If the licensee determines that these [ground water restoration] activities are expected to exceed 24 months for any particular production area, then the licensee shall submit an alternate schedule request that meets the requirements of 10 CFR 40.42." Additionally, with the submittal of Jane Dough and NRC's subsequent request for additional information, to which Uranerz has responded the schedule has been updated.

Condition 10.8 – The licensee will provide the Production Area Pump Test (PAPT) document for the first production areas at the Nichols Ranch and Hank Units for NRC review and approval prior to lixiviant injection into the production area.



Recommendation – Uranerz recommends the condition be revised to remove the words ‘Nichols Ranch and’ and change the word “Units” to “Unit” as the PAPT for the first production area at Nichols Ranch was reviewed and approved by NRC by letter dated September 12, 2013.

Condition 10.10 – The licensee will update or confirm the restoration schedule for the Nichols Ranch Unit PA#2 and provide a basis to the NRC for review and approval for any alternate schedule request that meets the requirements of 10 CFR 40.42.

Recommendation – Uranerz requests that this condition be removed. Uranerz submitted an updated schedule by letter dated February 4, 2016 but has received no response from NRC. Furthermore, with the submittal of Jane Dough and NRC’s subsequent request for additional information, to which Uranerz has responded the schedule has been updated.

Condition 10.14 –The licensee shall conduct radiological characterization of airborne samples for natural U, Th-230, Ra-226, Po-210, and Pb-210 for each restricted area air particulate sampling location at a frequency of once every 6 months for the first 2 years, and annually thereafter to ensure compliance with 10 CFR 20.1204(g). The licensee shall also evaluate changes to plant operations to determine if more frequent radionuclide analyses are required for compliance with 10 CFR 20.1204(g).

The licensee shall determine if surface contamination limits are warranted for Th-230, Ra-226, Po-210, and Pb-210 identified in airborne sample analyses. Within 1 year of commencement of operations, the licensee shall provide for NRC review and written verification a technical basis for surface contamination limits for the applicable radionuclides of concern.

Recommendation – Uranerz submitted the verification and technical basis in letter dated October 29, 2015. In that letter Uranerz requested the removal of the license condition. The NRC response, in letter dated January 26, 2016 indicated that the condition would be removed in the next amendment as an administrative change.

Condition 10.15 - The licensee shall continue to collect meteorological data on a continuous basis at a data recovery rate of at least 90 percent until the NRC headquarters staff verifies in writing the data to be representative of long term conditions at the Nichols Ranch ISR Project. The data collected shall include, at a minimum, temperature, wind speed, and wind direction. Data submitted shall include an annual wind rose and a summary of the stability classification. Justification of the similarity or validity of the data shall include an analysis of the statistical data presented to illustrate confidence in the representativeness of the data.

Until the NRC headquarters staff verifies in writing that the meteorological data are representative of long term conditions at the Nichols Ranch ISR Project, the licensee shall continue to evaluate meteorological conditions to ensure that projected doses to members of the public and locations of environmental monitoring stations and radon detectors remain consistent with analyses submitted on February 28, 2014 (ML14063A214) and March 6, 2014 (ML14066A051). The licensee shall submit the results of this evaluation and discuss any proposed changes to its environmental monitoring program in the semi-annual operational effluent and environmental monitoring program report required by License Condition 11.1(D) to NRC headquarters for review.



Recommendation – Uranerz proposes that this condition has been met and should therefore be removed. The requested meteorological data has been provided in correspondence dated February 18, 2014 as well as in semi-annual reports dated October 23, 2015 and August 29, 2016 in which it was reported that there have been “no changes in conditions warranting a change in environmental monitoring stations or radon detectors”.

Condition 11.5 (4th Paragraph) - The licensee shall notify the NRC Project Manager by telephone or e-mail within 24 hours of confirming a lixiviant excursion, and by letter within 7 days from the time the excursion is confirmed, pursuant to LC 11.6. A written report describing the excursion event, corrective actions taken, and the corrective action results shall be submitted to the NRC within 60 days of the excursion confirmation. For all wells that remain on excursion after 60 days, the licensee shall submit a report as discussed in LC 11.1(A).

Recommendation – Uranerz requests that ‘7’ days be revised to 5 days to align with Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD) Chapter 11 Non Coal Rules and Regulations.

Condition 12.1 - Prior to commencement of operations in any production area, the licensee shall obtain all necessary permits and licenses from the appropriate regulatory authorities. The licensee shall also submit a copy of all permits for its Class I and Class III underground injection wells.

Recommendation – Uranerz recommends that this preoperational condition be removed as it has been completed as described in the NRC Team Inspection 040-09067/13-001 dated April 17, 2014.

Condition 12.2 - Prior to commencement of operations, the licensee shall coordinate emergency response requirements with local authorities, fire department, medical facilities, and other emergency services. The licensee shall document these coordination activities and maintain such documentation on-site.

Recommendation - Uranerz recommends that this preoperational condition be removed as it has been completed as described in the NRC Team Inspection 040-09067/13-001 dated April 17, 2014.

Condition 12.3 - The licensee shall not commence operations until the NRC performs a preoperational inspection to confirm, in part, that written operating procedures and approved radiation safety and environmental monitoring programs are in place, and that preoperational testing is complete.

Recommendation – Uranerz recommends that the condition be revised to describe a preoperational inspection of the drying circuit because the preoperational inspections for the ion exchange and elution (including precipitation and filter press) circuits have been completed as reported per NRC Team Inspection 040-09067/13-001 dated April 17, 2014 and NRC Team Inspection 040-09067/16-001 dated February 26, 2016, respectively.



Condition 12.4 - The licensee shall identify the location, screen depth, and estimated pumping rate of any new ground water wells or new use of an existing well within the license area and within 2 kilometers of any proposed production area since the application was submitted to the NRC. The licensee shall evaluate the impact of ISR operations to potential ground water users and recommend any additional monitoring or other measures to protect ground water users. The evaluation shall be submitted to the NRC for review within 6 months of discovery of such well use.

Recommendation - Uranerz recommends that this preoperational condition be removed as it has been completed as described in the NRC Team Inspection 040-09067/13-001 dated April 17, 2014. It is worth noting that condition 11.7 is written similarly and is a standard condition.

Condition 12.5 - Prior to commencement of operations, the licensee shall submit the qualifications of radiation safety staff members for NRC review.

Recommendation - Uranerz recommends that this preoperational condition be removed as it has been completed as described in the NRC Team Inspection 040-09067/13-001 dated April 17, 2014.

Condition 12.6 - Prior to commencement of operations, the licensee shall submit a copy of the solid byproduct material disposal agreement to the NRC.

Recommendation - Uranerz recommends that this preoperational condition be removed as it has been completed as described in the NRC Team Inspection 040-09067/13-001 dated April 17, 2014.

If you have any questions regarding this matter, please contact Dawn Kolkman by phone at 307-265-8900 or by email at dkolkman@energyfuels.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Goranson'.

William P. Goranson, P.E.
Executive Vice President
Uranerz Energy Corporation (an Energy Fuels Company)

WG/dk

Attachment: Pre-Operation License Condition 12.8 Supplemental Information

cc: Dave Brown, NRC Sr. Health Physicist (via email)
Ron Linton, NRC Project Manager (via email)