

August 21, 2014

Mr. Michael P. Thomas
Vice President Regulatory Affairs
Uranerz Energy Corporation
P.O. Box 50850
1701 East E Street
Casper WY 82605-0850

SUBJECT: ACCEPTANCE REVIEW, PROPOSAL TO TRAIN PLANT OPERATORS AND OTHER SUITABLE PERSONNEL TO PERFORM DAILY INSPECTIONS, URANERZ ENERGY CORPORATION, NICHOLS RANCH PROJECT, MATERIALS LICENSE SUA-1597, CAMPBELL AND JOHNSON COUNTIES, WYOMING, SUBMISSION INCOMPLETE (TAC J00727)

Dear Mr. Thomas:

By letters dated May 15, 2014 (Agencywide Documents and Management System (ADAMS) ML14140A351) and May 19, 2014 (ML14148A134), Uranerz Energy Corporation (Uranerz or the licensee) requested an alternative approach to Regulatory Guide 8.31 which would allow trained plant operators and other "suitable personnel" (i.e., "designees") to perform some of the daily inspections at the Nichols Ranch in situ recovery (ISR) Project in Johnson and Campbell Counties, Wyoming. Regulatory Guide (RG) 8.31 specifies that either the radiation safety officer (RSO) or a health physics technician (HPT) will perform daily inspections. License Condition (LC) 9.7 specifies that the licensee will follow the guidance set forth in RG 8.31 and that any proposed exceptions are subject to review and written verification by the U.S. Nuclear Regulatory Commission (NRC). The NRC staff has completed its review of the information submitted and finds the submission incomplete. Based on its review of the licensee's request, the NRC staff has identified the following deficiencies:

Nichols Ranch LC 9.7 Request Deficiencies

1. The licensee did not specify any minimum education or experience requirements for the trainee. Considering that RG 8.31 provides academic and experience requirements for radiation safety staff, a designee's education and experience requirements should be a subset of the education and experience required by full radiation staff. Therefore, please provide additional information on the minimum academic and experience requirements of a trainee for the purpose of conducting the daily inspections specified in RG 8.31. In addition, please provide examples of other "suitable personnel" that may be performing daily inspections. Refer to pages 7 and 8 of Lost Creek ISR, LLC's (LCI) response to the NRC staff's request for additional information (RAI) (LCI, 2012a) for an example of minimum academic and experience requirements previously approved by NRC staff.

2. The licensee indicated that in order to perform the daily inspections, operations personnel must first be trained by a qualified individual. However, the licensee did not specify who is considered a qualified individual. Therefore, please update the request to specify which individual(s) are considered qualified to train designees to perform daily inspections. Refer to LCI's response (LCI, 2012a) to the NRC staff's Section 5.4.3.2 RAI items 2a and 2b for an example of qualified individuals previously approved by the NRC staff.
3. The licensee indicated that the training provided to designees includes a discussion of items covered during inspections, accompanying qualified radiation personnel during inspections, and demonstration of learned concepts, however, the request does not clearly specify any minimum training requirements or indicate how the designee will demonstrate that they adequately learned the concepts. Therefore, please specify minimum training requirements for the designee and describe how the licensee will assess if the designee has adequately demonstrated learned concepts. See LCI, 2012b and pages 7 and 8 of LCI, 2012a for an example of minimum training and performance requirements previously approved by the NRC staff.
4. The licensee indicated that follow up training will be conducted and reevaluation will occur within six months of initial training and at least annually thereafter. Please provide information regarding what follow up training will consist of and how the designee will be reevaluated. Refer to pages 7 and 8 of LCI, 2012a for an example of an approach used to maintain qualification that was previously approved by the NRC staff.
5. The licensee indicated that designees are trained in accordance with RAD-SOP [site operating procedures]-02 and ADM-SOP-01. Please provide additional information regarding the content of these SOPs and what the designees will be expected to perform during their inspections.
6. In reviewing the "Inspection Details" table provided in the licensee's request, it is unclear if the designee will be trained to inspect, and will be inspecting, certain radiation protection practices, such as proper ingress and egress controls for contaminated areas, adequate radiation area boundaries and controls, and checking for yellowcake contamination. In addition, it is unclear if the designee will be responsible for inspecting all areas of the site, as specified in RG 8.31. For example, it is unclear if the inspections will include areas outside the plant, such as wellfields and header houses. Finally, it is unclear if designee will be trained to inspect both units of the Nichols Ranch ISR Project. Please provide additional information ensuring that all aspects and areas of the facility (or facilities) are inspected in the daily inspections, consistent with RG 8.31, or justify the alternative. Refer to LCI's revised Technical Report Section 5.3.1.1 (LCI, 2012a) and LCI, 2012b for an example of a commitment regarding the scope of daily inspections that was previously approved by the NRC staff. Please provide updated training details as necessary.
7. In the "Inspection Details" table the licensee stated that the designee will be trained to ensure that the ventilation exhausts are operating. Please specify what the designee will be inspecting to ensure that the ventilation exhausts are operating and ensure that the

designee has sufficient academic background, experience, and training to perform this inspection.

8. In the "Inspection Details" table the licensee stated that the designee will be trained to ensure that pumps are working properly. Please specify what the designee will be inspecting to ensure that the pumps are working properly and ensure that the designee has sufficient academic background, experience, and training to perform this inspection.
9. In the "Inspection Details" table the licensee stated that the designee will be trained to ensure that monitoring stations are functioning properly. Please specify what the designee will be inspecting to ensure that monitoring stations are functioning properly and ensure that the designee has sufficient academic background, experience, and training to perform this inspection.
10. The licensee did not specify what trained designees are expected to do if a problem is observed during the inspection or what trained designees are expected to do in the event of an emergency when an RSO and HPT are not on site. Since a trained designee does not have the qualifications of a trained RSO or HPT, please provide information on what a trained designee is expected to do if a problem or emergency occurs when the RSO and HPT are not on site.

References

LCI, 2012a. "Letter to NRC Regarding Lost Creek Project, NRC License SUA-1598, Docket No. 40-9068 Request for Additional Information-Requested Clarifications and Technical Report Page Changes-Lost Creek ISR; (December 22, 2011)," Casper, WY, February 17, 2012, ADAMS Accession No. ML12053A326

LCI, 2012b. "Email to NRC Regarding Radiation Safety Designee," Casper, WY, November 8, 2012, ADAMS Accession No. ML13029A734

NRC staff requests Uranerz respond to the NRC within 65 days of the date of this letter if it chooses to re-submit an alternative approach to Regulatory Guide 8.31 to allow trained plant operators and other "suitable personnel" (i.e., "designees") to perform some of the daily inspections at the Nichols Ranch Project.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," 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 Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

M. Thomas

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If you have any questions concerning the above, please contact me at (301) 415-7777, or via email at Ron.Linton@nrc.gov.

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

License No. SUA-1597

cc: Dorran Larner (WDEQ)

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