

September 16, 2015

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  
URANERZ ENERGY CORPORATION INC. PROPOSED JANE DOUGH  
EXPANSION AREA LICENSE AMENDMENT REQUEST  
(DOCKET NO.: 040-09067)

Dear Ms. Hopkins:

The U.S. Nuclear Regulatory Commission (NRC) has received an application dated May 8, 2014, from Uranerz Energy Corporation (Uranerz) for a license amendment to authorize Uranerz to expand its operations at their Nichols Ranch in situ uranium recovery (ISR) facility to a new expansion area, Jane Dough. The Jane Dough project area is located in the Powder River Basin, Johnson and Campbell Counties, Wyoming. The project area, if licensed, would use an ISR technology to extract uranium at the Jane Dough site. The proposed project area consists of 3,680 acres and is located in Johnson and Campbell Counties, Wyoming between the communities of Casper and Gillette. The application states that the total area of disturbed lands would be 101 acres and the remaining land will be a combination of controlled, restricted, and unrestricted access areas. The area of potential effect (APE) for this review is the area at the Jane Dough site and its immediate environs, which may be impacted by activities associated with the construction and operation of the proposed project. The Jane Dough site is located 6 miles outside of the Pumpkin Buttes Traditional Cultural Property 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 a network of wells and then passed 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 extracted from the resin beads and dried. The resultant product, a mixture of uranium oxides also known as "yellowcake," is placed in drums and shipped offsite for further processing and eventually 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 staff would prepare an environmental assessment (EA). This EA 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 agencies to assess the potential environmental impacts of major Federal actions that may significantly affect the human environment.

The NRC staff also provides a 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 (NHPA), as amended, 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 on this matter. Consultation will include participation in the identification of cultural, historic, and archaeological properties within the APE 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 EA 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 Uranerz license amendment application. To support the environmental review and implementation of the NHPA 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 Uranerz license within 30 days of receipt of this letter. 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 22 Tribes that may be interested in consulting with the NRC 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.

For additional information regarding the proposed undertaking, Uranerz license amendment 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 Uranerz license amendment application is ML14164A274 and is available online through ADAMS.

M. Hopkins

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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. Ashley Waldron of my staff by telephone at 301-415-7317, or via e-mail at: [Ashley.Waldron@nrc.gov](mailto:Ashley.Waldron@nrc.gov). The NRC looks forward to working with you on this matter.

Sincerely,

**/RA JMuir-Quintero for/**

Lydia W. Chang, Chief  
Environmental Review Branch  
Division of Fuel Cycle Safety, Safeguards,  
and Environmental Review  
Office of Nuclear Material Safety  
and Safeguards

Enclosure:  
Map of Jane Dough Site

M. Sattelberg

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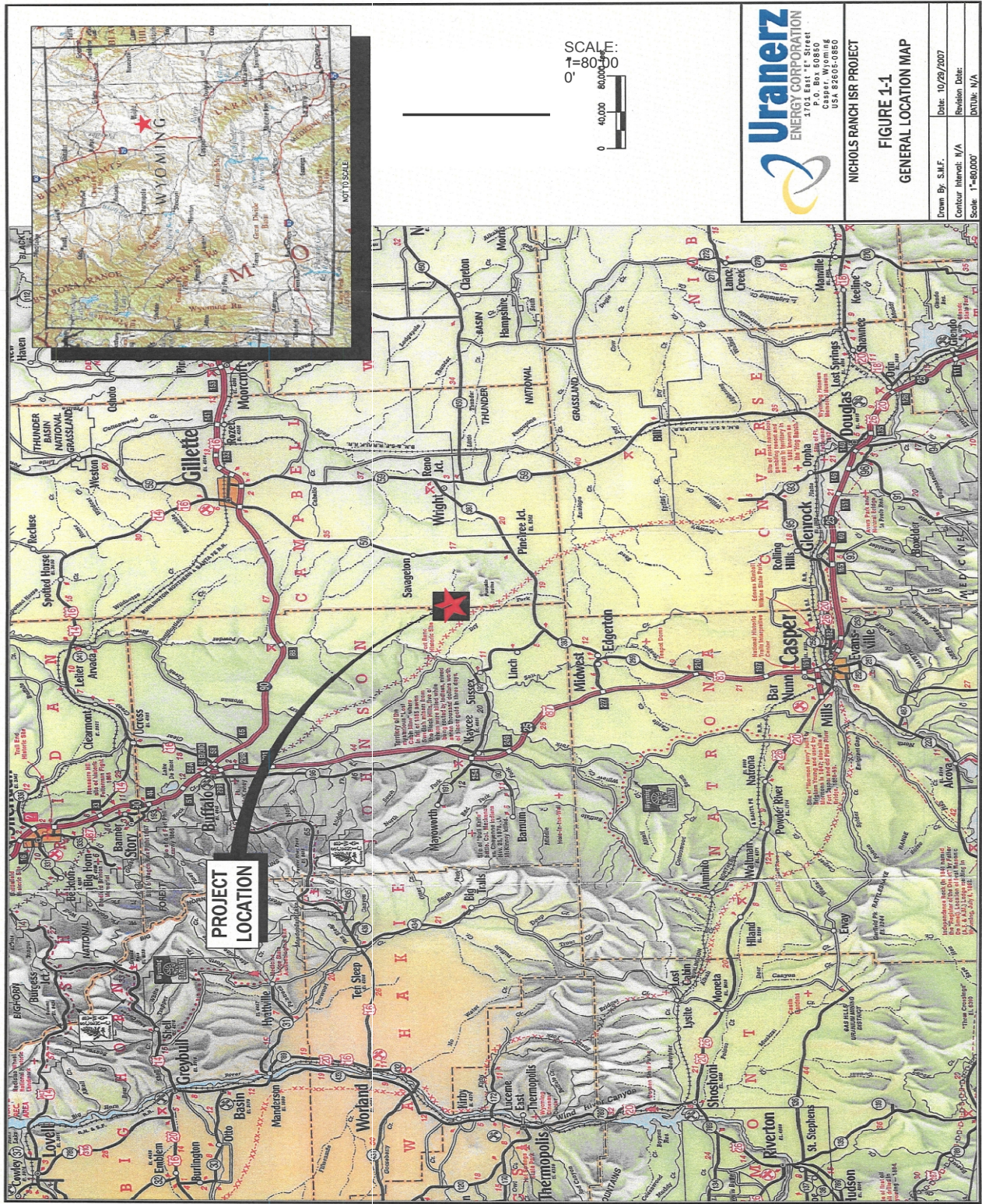
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<b>NAME</b>	AWaldron	AWalkerSmith	CHair	JMuir-Quintero for LChang
<b>DATE</b>	9/ /15	9/15/15	9/9/15	9/16 /15

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Enclosure