

December 15, 2014

Mr. Kevin Keckler, Chairman
Cheyenne River Sioux Tribe
P.O. Box 590
Eagle Butte, SD 57625-0590

SUBJECT: NOTICE OF RECEIPT OF LICENSE APPLICATION AND INVITATION FOR SECTION 106 CONSULTATION PURSUANT TO THE NATIONAL HISTORIC PRESERVATION ACT REGARDING THE URANERZ ENERGY CORPORATION LICENSE AMENDMENT APPLICATION FOR THE PROPOSED JANE DOUGH UNIT EXPANSION TO THE NICHOLS RANCH IN SITU URANIUM RECOVERY FACILITY IN CAMPBELL AND JOHNSON COUNTIES, WYOMING

Dear Chairman Keckler:

On May 8, 2014, Uranerz Energy Corporation (Uranerz) submitted an application to the U.S. Nuclear Regulatory Commission (NRC) for an amendment to source materials license SUA-1597 to authorize Uranerz to construct and operate the Jane Dough unit at Nichols Ranch In Situ Uranium Recovery (ISR) facility located in Campbell and Johnson Counties, Wyoming. The Jane Dough unit, if licensed, would consist of wellfields and use ISR technology to extract uranium from the Nichols Ranch Central Processing Plant. The 3,680-acre project site is located between the cities of Wright, Edgerton, and Gillette. A map showing the proposed project location is enclosed (Enclosure 1).

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.

The NRC's acceptance review of the license amendment application has begun. If the license application is accepted, we will send you a letter notifying you of the acceptance of the license application. After acceptance of the license application, a detailed review would take place, consisting of both an environmental and safety review.

As part of the environmental review, the NRC would prepare an Environmental Assessment (EA). This EA would be prepared in accordance with the regulatory provisions in Title 10 of *the Code of Federal Regulations* Part 51 (10 CFR Part 51). Through these regulations the NRC implements the requirements of the National Environmental Policy Act of 1969 (NEPA), as amended (Public Law 91-190). NEPA requires the Federal government to assess the potential environmental impacts of major Federal actions that may significantly affect the human environment. In accordance with 36 CFR Part 800.8 (Coordination with the National Environmental Policy Act), the EA will also include analyses of impacts to historic properties. The NRC staff uses the NEPA process to comply with its obligation under Section 106 of the National Historic Preservation Act of 1966 (NHPA), as amended in lieu of the procedures set forth in 36 CFR 800.3 through 800.6.

The NRC staff collects information to facilitate the identification of historic properties, including those that may be of religious and cultural significance to Tribes. Accordingly, the NRC staff is identifying parties who may wish to consult with the staff on the effects of the proposed action on historic properties. Through this letter, the NRC staff invites you to participate as a consulting party under Section 106 of the NHPA and welcomes your input during these early stages of our review process. As a consulting party you would assist in the identification and evaluation of historic properties that may be affected by the proposed action and the development of alternatives and proposed measures that might avoid, minimize, or mitigate any adverse effects of the proposed action on historic properties.

Please indicate whether or not you wish to participate as a consulting party by completing the enclosed form (Enclosure 2). The NRC requests that the enclosed form be returned within 30 days of receipt of this letter. You may also contact us if you want to discuss concerns about the confidentiality of information that may be provided to the NRC.

Please note that according to NRC policy, correspondence provided to the NRC, including that provided by email may be made publicly available. Therefore, the NRC recommends that the Tribe avoid including any information in its submission that Tribal officials do not want to be publicly disclosed (e.g., personal email addresses or other personal contact information). If Tribal officials do not wish for their personal email addresses to be made public, please use an alternate email address when corresponding with the NRC.

The NRC appreciates the opportunity to consult with you on issues regarding this license application. For the purposes of meeting with Tribal leaders, the Division of Fuel Cycle Safety and Environmental Review Director, Deputy Division Director, or Environmental Review Branch Chief will represent the NRC.

For additional information regarding the proposed action, Uranerz license application is publicly available from the NRC's Agency Wide Documents Access and Management System (ADAMS), which can be accessed online at <http://www.nrc.gov/reading-rm/adams.html>. The accession number for Uranerz' application is ML14164A274. Details pertaining to the project and application review schedule are available on the project's web page at <http://www.nrc.gov/materials/uranium-recovery/license-apps/jane-dough.html>

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If you have any 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 by telephone at 301-415-6005, or by email at Ashley.Waldron@nrc.gov.

Sincerely,

/RA/

Marissa G. Bailey, Director
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-9067

Enclosures:

1. Map of Proposed Location
2. Tribal Response Form

cc: Steve Vance, THPO

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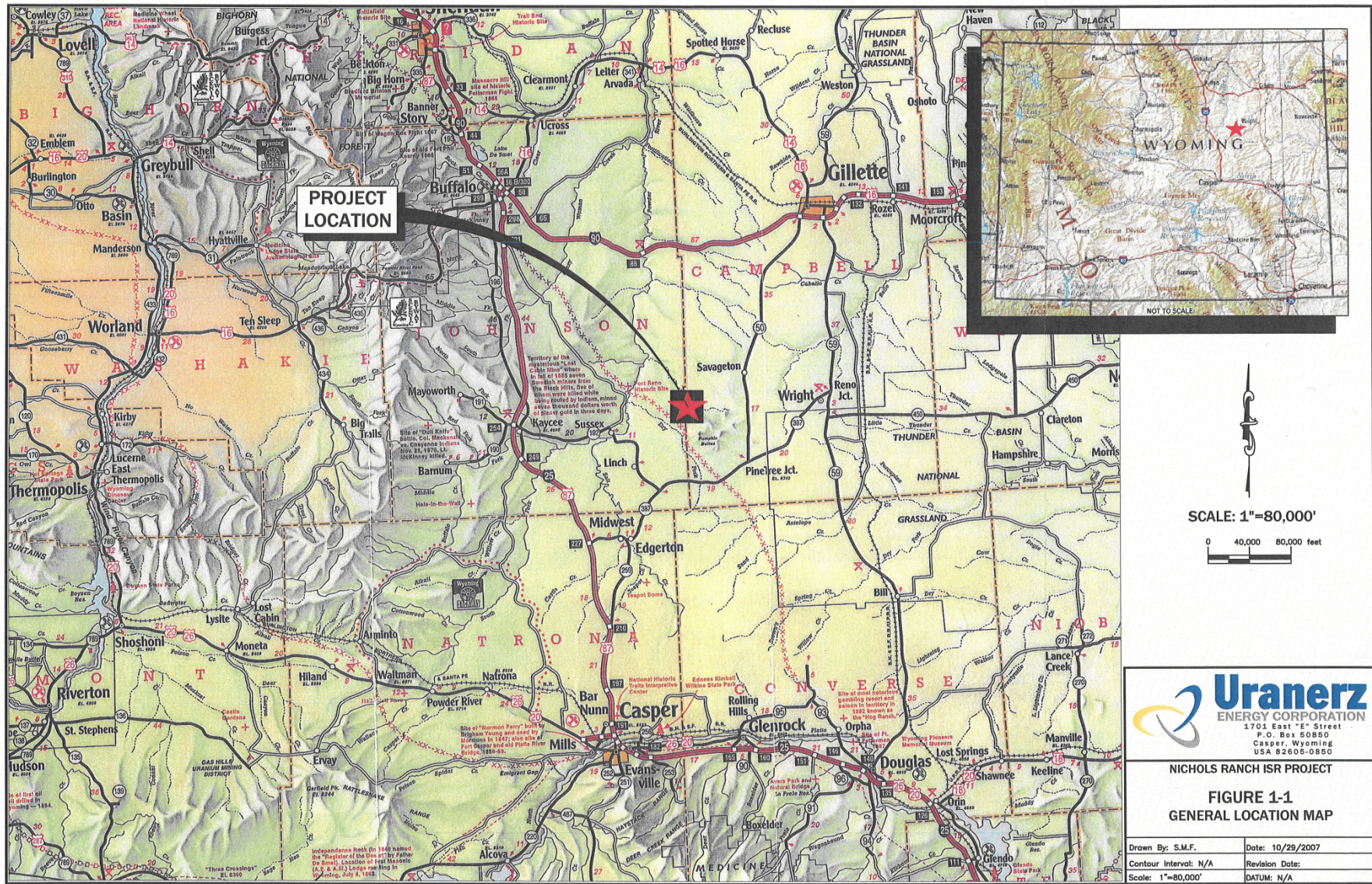
cc: Steve Vance, THPO

DISTRIBUTION: D. Brown

ML14307B588

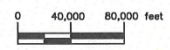
OFC	FCSE	FCSE	OGC	FCSE	FCSE	FCSE
NAME	AWaldron	AWalker-Smith	JOlmstead	LChang	CErlanger	MBailey
DATE	11/06 /14	11/07 /14	11/24/14	12/3/14	12/8/14	12/15/14

OFFICIAL RECORD COPY



PROJECT LOCATION

SCALE: 1"=80,000'



Uranerz
ENERGY CORPORATION
1701 East "E" Street
P.O. Box 50850
Casper, Wyoming
USA 82505-0850

NICHOLS RANCH ISR PROJECT

FIGURE 1-1
GENERAL LOCATION MAP

Drawn By: S.M.F.	Date: 10/29/2007
Contour Interval: N/A	Revision Date:
Scale: 1"=80,000'	DATUM: N/A



Tribal Response Form – Cultural Resource Considerations

Project Name: _____

Tribal Department you represent:

Cultural Resources Other _____

Response to this request for consultation:

- Thank you for the project information; however, the Tribe does not wish to consult on this proposed project.
- The Tribe does not have a comment or concern at this time, although we request to be updated regarding this project.
- The Tribe wishes to consult on this project. Please contact the Tribe further to discuss our

Signature of individual completing form

Date

Name

Name of Tribe

If interested in consultation or being updated regarding this project, please indicate below who should be contacted.

Name (please print): _____

Phone Number*: _____

E-mail address*: _____

Fax Number*: _____

If interested in being updated about this project, your preferred method of notification would be:

Letter E-mail Phone

- May be subject to public disclosure

Return to:
U. S. Nuclear Regulatory Commission
ATTN: Section 106 Coordinator
Mail Stop: TWFN 8 F5
Washington, DC 20555-0001