

DECISION RECORD

**ENVIRONMENTAL ASSESSMENT, WY-070-EA13-226
U.S. Department of the Interior
Bureau of Land Management, Buffalo Field Office, Wyoming**

Uranerz Energy Corporation, Hank Unit Uranium *In-Situ* Recovery Project

**Bureau of Land Management Mine Plan of Operations, WYW-169904;
Wyoming Department of Environmental Quality, Land Quality Division, Permit to Mine
PT778; and, Nuclear Regulatory Commission Source Material License SUA-1597**

DECISION. I approve the operations as described in Uranerz Energy Corporation’s (Uranerz’, or Operator’s) Hank Unit *In-Situ* Recovery Project Mine Plan of Operations (POO), and as further described and analyzed in Alternative 1 of the Bureau of Land Management’s (BLM) Environmental Assessment (EA) WY-070-EA13-226, which is incorporated here by reference.

The approved Mine POO includes: The Mine Plan, with uranium mining proposed to occur via *in-situ* recovery (ISR) in two phases, called “Production Areas,” together comprising one contiguous mine unit ISR wellfield, and the associated infrastructure such as monitor wells, roads, header houses, pipelines, and satellite processing facility (SPF); and the Reclamation Plan.

Compliance. This decision complies with:

- *The General Mining Act of 1872*, as amended (30 United States Code (USC) *et seq.*).
- *Federal Land Policy and Management Act of 1976* (FLPMA) (43 USC 1701).
- *National Environmental Policy Act of 1969* (NEPA) (42 USC 4321 *et seq.*).
- Buffalo Resource Management Plan (RMP), 1985, and Amendments, 2001, 2003, 2011.
- Greater Sage-Grouse Habitat Management Policy on Wyoming BLM Administered Public Lands (WY-IM-2012-019) and Greater Sage-Grouse Interim Management Policies and Procedures (WO-IM-2012-043).
- *Memorandum of Agreement Among the United States Nuclear Regulatory Commission, United States Bureau of Land Management Buffalo Field Office, the Advisory Council on Historic Preservation, the Wyoming State Historic Preservation Officer, Cheyenne River Sioux Tribe, Crow Tribe, Eastern Shoshone Tribe, Fort Peck Assiniboine/Sioux Tribe, Northern Arapahoe Tribe, Northern Cheyenne Tribe, Oglala Sioux Tribe, and Uranerz Energy Corporation Regarding Mitigation of Adverse Effects to Historic Properties From the Nichols Ranch ISR Project in Campbell and Johnson Counties, Wyoming, 2011* (“NRC MOA”).
- *Memorandum of Agreement Among the Bureau of Land Management, the Advisory Council on Historic Preservation, the Wyoming State Historic Preservation Officer and Uranerz Energy Corporation Regarding Mitigation of Adverse Effects to Historic Properties from the Hank Unit of the Nichols Ranch In-Situ Recovery Project in Campbell County, Wyoming, 2015* (“BLM MOA”).
- *Memorandum of Understanding [No. WY 19] Between the Governor of Wyoming and the United States By and Through the State Director, Bureau of Land Management, Wyoming,*

U.S. Department of the Interior, 1975.

- *Supplement to Memorandum of Understanding No. WY 19 Between the United States Department of the Interior, Bureau of Land Management, and the WY Department of Environmental Quality (WDEQ) Land Quality Division (LQD) for Management of Surface Mining and Exploration for Locatable Minerals on Public Lands, 2003 (“SUPMOU”).*
- *Memorandum of Understanding Between the Bureau of Land Management, Department of the Interior, and the Nuclear Regulatory Commission (NRC), an Independent Agency, 2010.*

Approvals. The Bureau of Land Management’s (BLM’s) decision approves the operations as described in Alternative 1 of the BLM EA (WY-070-EA13-226), as well as the Operator-Committed Mitigation Measures and Terms and Conditions (T&Cs). A summary of the approval follows. The detailed project description, changes resulting from on-site visits, and site-specific mitigation measures, are all described in the BLM EA. Other details and information may be found in the Wyoming Department of Environmental Quality (WDEQ) Land Quality Division’s (LQD’s) Mine Permit PT778 (2010), and Nuclear Regulatory Commission’s (NRC’s) Source Material License (SML) SUA-1597 (2011) and Supplemental Environmental Impact Statement (SEIS) for the Nichols Ranch Uranium ISR Project in Campbell and Johnson Counties, Wyoming (NUREG 1910, Supplement 2) (2011).

The approval is for only those portions of such operations proposed to occur on BLM-administered lands. “Public lands” or “BLM-administered lands” for locatable minerals projects (including the Hank Unit uranium project) only includes those lands having both BLM-administered surface and BLM-administered minerals.

The mining operations include one (1) uranium ISR wellfield to be developed as two (2) production areas, and all necessary associated infrastructure, in the following areas of Campbell County, Wyoming, 6th Principal Meridian:

Township	Range	Section	Subdivision(s)	Approximate Acres
BLM-administered lands:				
43N	75W	6	E2NE, and NWNE	110
44N	75W	31	SE	170
TOTAL – BLM-administered lands:				280
<i>NOT BLM-administered lands:</i>				
43N	75W	5	W2SW	80
		6	W2, SE, and SWNE	544
		7	All	487
		8	W2NW	80
44N	75W	30	SW, and W2SE	256
		31	W2, and NE	523
<i>TOTAL – NOT BLM-administered lands (not under BLM jurisdiction or administration, and no BLM approval is required prior to their disturbance)</i>				<i>1,970</i>
TOTAL lands:				2,250

Project Description: The project described in Uranerz’ Hank Unit Uranium ISR Mine POO and BLM EA WY-070-EA13-226, as well as WDEQ LQD Permit to Mine PT778 and NRC SML SUA-1597, includes an area of approximately 2,250 surface and mineral acres having mixed federal and private ownerships. Uranerz holds controlling interest in the mining claims located on the BLM-administered lands (BLM-administered surface/mineral lands) included in the Mine POO, as tabulated below:

Claim Name	BLM Serial #	Township	Range	Section	Quarter(s)	Claimant(s)
MB 1	WMC278641	43N	75W	6	NE	George Hartman (GH) and Uranerz
MB 2	WMC278642				NE	GH & Uranerz
MB 3	WMC278643				NE	GH & Uranerz
MB 4	WMC278644				NE	GH & Uranerz
MB 5	WMC278645				NE	GH & Uranerz
MB 6	WMC278646				NE	GH & Uranerz
MB 8	WMC278648				NE	GH & Uranerz
MB 10	WMC278650				NE, SE	GH & Uranerz
B No. 81	WMC26870	44N	75W	31	SE	Uranerz
B No. 83	WMC26872				SE	Uranerz
B No. 85	WMC26873				SE	Uranerz
B No. 87	WMC26876				SE	Uranerz
B No. 89	WMC26878				NE	Uranerz
HB 1	WMC297964				SW, SE	William G. Ladd (WGL) and Uranerz
HB 2	WMC297965	SW, SE	WGL & Uranerz			

The approved Mine POO, and Alternative 1 of the BLM EA, proposes approximately 159.4 total acres (5.8% of the total 2,250 acres) to be disturbed initially during the construction and installation phase of the wellfield: 33.0 acres of BLM-administered lands, and 126.4 acres of privately-controlled lands. After this phase is complete, all monitor, injection and production wells, header houses, and pipelines will have been installed and working correctly.

At this point, nearly all the disturbed lands (approximately 147.6 total acres, 92.6% of the total 159.4 disturbed acres) will undergo temporary reclamation, involving re-contouring, re-placement of topsoil, and seeding: 30.8 acres BLM-administered, and 116.8 acres private. This leaves approximately 11.8 total acres of “life-of project” disturbance (7.4% of the 159.4 acres; 0.5% of the total 2,250 acres): 2.2 acres BLM-administered (6.7% of the 33 acres; 0.8% of the total 280 acres), and 9.6 acres privately-controlled (7.6% of the 126.4 acres; 0.5% of the total 1,970 acres). This disturbance will consist of roads, header houses, wellheads, and the SPF, which will all remain in place during the uranium mining and groundwater restoration phases.

During the decommissioning and permanent reclamation phase, all acres previously disturbed for installation of wells and pipelines will be re-disturbed for removal of these facilities. These acres will then undergo permanent reclamation. Below are listed the approximate timing of the phases.

Feature ¹	Activity(ies)	Projected Year(s) ²	Location	Disturbance or Reclamation, approximate acres	
				BLM	Private
SPF	Construction	2015-2016	T43N/R75W/Sec 6	--	<u>4.0</u>
Production Area 1	Construction	2015-2016	T44N/R75W/Secs 30 & 31	<u>11.0</u>	<u>40.8</u>
Production Area 1	Temporary Reclamation & Uranium Mining	2016-2018	T44N/R75W/Secs 30 & 31	10.2	38.8
Production Area 2	Construction	2017-2018	T43N/R75W/Secs 5, 6, 7 & 8, and T44N/R75W/Sec 31	<u>22.0</u>	<u>81.6</u>
Production Area 2	Temporary Reclamation & Uranium Mining	2018-2020	T43N/R75W/Secs 5, 6, 7, 8, and T44N/R75W/Sec 31	20.5	77.6
Production Area 1	Groundwater Restoration	2018-2023	T44N/R75W/Secs 30 & 31	--	--
Production Area 2	Groundwater Restoration	2020-2022	T43N/R75W/Secs 5, 6, 7 & 8, and T44N/R75W/Sec 31	--	--
Production Area 1	Decommissioning & Permanent Reclamation	2023-2024	T44N/R75W/Secs 30 & 31	0.8	2.0
Production Area 2	Decommissioning & Permanent Reclamation	2022-2024	T43N/R75W/Secs 5, 6, 7 & 8, and T44N/R75W/Sec 31	1.5	4.0
SPF	Decommissioning & Permanent Reclamation	2023-2024	T43N/R75W/Sec 6	--	4.0

¹ The production areas also include all their associated infrastructure, except the SPF.

² The projected years are estimates and may change based on weather, market conditions, and other factors.

Limitations. There are no denials or deferrals. However, this approval is conditioned on BLM’s receipt, review, and acceptance of Uranerz’ financial guarantee for this Mine Plan of Operations, required per 43 CFR 3809.401(d). Uranerz is given 30 days from receipt of the BLM’s letter authorizing the Hank Unit Uranium ISR Plan of Operations to submit this information. Uranerz is working on gathering this information (personal communication with Dawn Kolkman of Uranerz on July 15, 2015), and submission is anticipated to be soon.

Operator Committed Measures. Listed in the Terms and Conditions attached to this approval are the measures that Uranerz incorporated into their Hank Mine POO to minimize or alleviate impacts to resources.

Project Terms and Conditions (T&Cs). There are a number of Site-Specific T&Cs that BLM applied (attached) to this Project, in addition to the programmatic and Standard T&Cs identified in the Buffalo RMP (1985) and PRB Final Environmental Impact Statement (FEIS) (2003). These Standard and Site-Specific T&Cs are measures that BLM requires, in addition to the project design features and operator committed measures, in order to prevent unnecessary or undue degradation of public lands, per 43 CFR 3809.415 and .420.

Recommended Mitigation Measures. BLM has recommended several additional mitigation measures for Uranerz to adopt and institute during their activities related to the Hank Unit Project. These are entirely optional, as they are regarding the Greater Sage-Grouse (GSG), a candidate species for listing as threatened or endangered (T&E). GSG is not protected by Federal or State law, not listed as T&E, and BLM policy does not require Uranerz' performing these additional measures (per 43 CFR 3809.420(a)(6) and (b)(7), and BLM WY Instruction Memorandum IM-2012-019).

FINDING OF NO SIGNIFICANT IMPACT (FONSI). The EA (WY-070-EA13-226) analyzed this proposed project from which it was determined that the project had no significant impacts on the human environment, so there is no requirement for an environmental impact statement.

Uranerz' Hank Mine POO and a pre-decisional, "Draft," EA were made available for public review for 30 calendar days (June 24 through July 24, 2013), per 43 CFR 3809.411(c). BLM received two comment letters: one from Uranerz, and the other from the Wyoming Game and Fish Department (WGFD). These comments resulted in minor text clarifications but brought up no further issues than those already identified by the BLM resource specialists, and resulted in no significant changes to the proposed action.

RATIONALE. I base the decision authorizing Alternative 1, as summarized above, on the following:

1. Selection of the proposed alternative enables the uranium to be utilized for national energy-generation, and is in accordance with various management plans and documents.
2. This BLM approval of disturbance to BLM-administered lands is separate from the WDEQ LQD's approval of Permit to Mine PT778 and the NRC's approval of SML SUA-1597, for Nichols Ranch/Hank *In-Situ* Uranium Recovery Project.
3. Uranerz included mitigation measures in their Mine POO to reduce environmental impacts while meeting the projects' intended need. These measures are also incorporated into the EA and the T&Cs. The environmental effects section of the EA analyzes the Operator-Committed Mitigation Measures and BLM's T&Cs. See the Operator-Committed Mitigation Measures, and Standard and Site-Specific T&Cs attached to this approval for a complete description of these measures and terms and conditions.

- a. The impact of this development cumulatively contributes to the potential for local extirpation of the Greater Sage Grouse (GSG), yet its effect is acceptable because it is outside priority habitats and is within the parameters of the PRB FEIS/ROD and current BLM (WO-IM-2012-043) and Wyoming (WY-IM-2012-019) GSG conservation strategies.
 - b. With application of Standard Operating Procedures (SOPs), applied mitigation, Required Design Features, and T&Cs identified for GSG under the proposed action, impacts caused by surface-disturbing and disruptive activities would be minimized.
 - c. There are no conflicts anticipated or demonstrated with current uses in the area.
4. The Resource Management Plan (RMP) for the Buffalo Field Office is currently undergoing revision. The Proposed RMP and Final Environmental Impact Statement (EIS) were released in May 2015. The proposed action was screened against the Final EIS to ensure that the proposed action would not preclude BLM's ability to select any alternative in a ROD. The proposed action was also determined to not be inconsistent with the direction outlined in the RMP's Proposed Alternative.
5. The operations described in the selected alternative including the Operator-Committed Measures and T&Cs will not result in unnecessary or undue degradation of public lands.
6. Uranerz, as stated in their Mine POO and the BLM EA, shall comply with all applicable federal, state, and local laws and regulations.
7. This decision does not foreclose Uranerz or its' successor, if any, to propose a new Mine POO, or modifications thereto, for developing the federally-owned minerals in this project area. This includes submission of additional Mine POOs, or modifications, to develop minerals in accord with mining claim rights and law.
8. Uranerz certified they have obtained surface use agreements with the affected surface owners, including BLM. As a requirement of the WDEQ LQD Mine Permit and NRC SML, Uranerz has posted an adequate reclamation bond. This bond covers the proposed disturbances on private and BLM surface lands. The amount and form of the financial guarantee will be reviewed periodically by all three agencies for adequacy, and adjusted as needed.
9. This approval is subject to adherence with all of the operating plans, design features, and mitigation measures in WDEQ LQD Permit to Mine PT778, and NRC SML SUA-1597. This approval is also subject to operator compliance with all mitigation and monitoring requirements contained in the T&C's, as well as Buffalo RMP and amendments 1985, 2001, 2003, and 2011, as well as changes in laws, regulations, statutes, and policies.

ADMINISTRATIVE APPEAL: This finding is subject to administrative review (per 43 CFR 3809.800 to .809). An adversely affected party appealing must include information required under 43 CFR 4. The appealing adversely affected party may appeal to the BLM State Director or may bypass the BLM State Director to appeal directly to the Office of Hearings and Appeals under 43 CFR 4 (per 43 CFR 3809.800). Adversely affected parties appealing must use the table in 43 CFR 3809.801 to determine their alternatives and the timelines associated with each. Adversely affected parties must appeal to a proper authority within 30 days. This finding is effective immediately. Appealing parties must submit a statement of reasons in the timeframe specified (per 43 CFR 3809.802). Adversely affected parties must read and comply with the appeal guidance in 43 CFR 3809.800 to .809, or risk not having their appeal heard.

Field Manager: /s/ Duane W. Spencer

Date: July 17, 2015