



State of Utah

GARY R. HERBERT  
*Governor*

GREG BELL  
*Lieutenant Governor*

Department of  
Environmental Quality

Amanda Smith  
*Executive Director*

DIVISION OF RADIATION CONTROL  
Rusty Lundberg  
*Director*

**MEMORANDUM**

**TO:** File: Transfer of Control and Ownership; Radioactive Materials License UT 0900480

**THROUGH:** Rusty Lundberg  
John Hultquist

**FROM:** Ryan Johnson

**DATE:** February 6, 2014

**SUBJECT:** Summary of Conference Call for the Transfer of Control from Uranium One to Black Range Minerals that occurred on January 30, 2014

On January 14, 2014, Uranium One Americas, Inc. (Uranium One) and Black Range Minerals Utah, LLC (Black Range) submitted a request to transfer control of Radioactive Materials License (RML) UT0900480 and Groundwater Discharge Permit UGW 170003 from Uranium One to Black Range. On January 20, 2014, additional information for the transfer was submitted by Black Range.

On January 23, 2014, the DRC sent Uranium One and Black Range an email (see attached in Appendix A) informing them that the review of the request of transfer of control had begun with an estimated schedule for the review. On January 28, 2014, Uranium One and Black Range requested a conference call to discuss the request for transfer of control. Prior to the conference call, Scott Schierman (RSO of the Shootaring Canyon Mill for Uranium One) provided a list of questions to discuss. Prior to the meeting, DRC staff internally answered the questions from Uranium One and had them on hand for the meeting (see attached in Appendix B).

The conference call was held on January 30, 2014. The following individuals were on line during the conference call: Rusty Lundberg, Ryan Johnson, Phil Goble, and Gwyn Galloway all from DRC, and Scott Schierman (Uranium One), Rod Grebb (Black Range), Wells Parker (Dosey), Frank Erisman (Schwabe, Williamson & Wyatt).

The main concern discussed during the conference call, was a need for public comment period and public hearing with cross examination. The Director explained that the Division has committed to the NRC to follow the requirements in Section 274(o) of the Atomic Energy Act of 1954, as amended, and provide an opportunity for a public comment period and an opportunity for a

hearing with cross examination for RMLs involving 11e.(2) materials. The Director further explained that, this commitment was in response to a Request for Information (RFI) from the NRC to the DRC dated February 14, 2013. The details of that commitment are in the DRC response letter to the RFI dated August 6, 2013. Other items discussed included: the Black Range 36-month request for extension to renew the Mill's Radioactive Material License. What was expected in the renewal application, the renewal process, and when the DRC staff will be sending an RFI for the transfer of control request. The DRC told Black Range that the 36-month extension request was too long, but the DRC might be willing to consider giving them a one-year extension to submit the license renewal application. They were also told that the Mill would have to be upgraded up to Best Available Technology standards before the DRC would approve placing the Mill back into operation. All the design upgrades would also have to be approved in advance before construction could commence.

The Director told Uranium One and Black Range that the DRC would provide them with NRC's RFI and the DRC's response regarding Section 274(o) of the Atomic Energy Act of 1954. Those documents were provided with the DRC RFI for the transfer of control request.

Appendix A

Email from the DRC to Uranium One and Black Range including responses

Request to transfer Radioactive Materials License UT0900480 and Ground Water Discharge Permit UGW 170003

Inbox x



**Ryan Johnson** rmjohnson@utah.gov

Jan 23

to Donna.Wichers, mhaynes, rgrebb, Rusty, John, Gwyn, Phillip, Rebecca, Norman.Schwab

Ms.Wichers and Mr. Haynes,

The Division of Radiation Control (DRC) has received your submittal dated January 14, 2014 requesting the transfer of control of the Shootaring Canyon Uranium Mill Facility's Radioactive Materials License (RML) and Ground Water Discharge Permit (GWDP). The review of this submittal has been assigned to me and after discussing the review with DRC management the following schedule has been estimated.

- 2-3 weeks-Review of the request to transfer the RML and GWDP. This includes at least one request for information submitted to you by email;
- 1 week to prepare the Draft RML and GWDP and a Statement of Basis;
- 30 day Public Comment Period which will include at least 1 public hearing that will include public cross examination
- 1-2 week to prepare the Final RML and GWDP and a Public Participation Summary document.

This request is considered a major license amendment and the DRC has to follow the requirements for a public comment period as per Utah Administrative Rule R313-17-2. The Shootaring Canyon Mill facility has an 11e(2) RML and the Atomic Energy Act requires the DRC to hold a public hearing with cross examination in which representatives from your companies will need to attend. In your letter dated January 14, 2014 you have request a 36 month extension to the permits. You also indicate in the supporting documents that you plan on having the Mill operational by 2016. You can not ask for an extension of the permits that goes beyond the projected Mills startup date. To clarify when you state the permits in your January 14, 2014 submittal you mean the RML and the GWDP. Please provide a point of contact for me to address any comments or question to. If you have any questions about your request please contact John Hultquist or myself at [jhulquist@utah.gov](mailto:jhulquist@utah.gov) or [rmjohnson@utah.gov](mailto:rmjohnson@utah.gov). You may also call our office at [\(801\) 536-4250](tel:8015364250).

**Donna Wichers (USA - Casper)**

Jan 28 (9 days ago)

to Scott, parker.wells, Bo, me, mhaynes, rgrebb, Rusty, John, Gwyn, Phillip, Rebecca, Norman

Dear Ryan,

Thank you for your informative email dated January 23 (below). You asked for a point of contact for you to work with on Uranium One's behalf. Our point of contact will be Scott Schierman, whom I believe you have worked with before. If Scott should not be available to answer your questions, you may also contact Wells Parker with Dorsey and Whitney. And of course you may contact me at any time. Scott and Wells' contact information is as follows:

(Information was redacted by the DRC)

Scott will be in touch with you shortly regarding a few questions we have regarding the timeline outlined in your email as well as the overall process. Again, we appreciate your very prompt response to our submittal.

Best regards,  
Donna Wichers

Donna L. Wichers  
President  
Uranium One Americas, Inc.

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**Subject:** Request to transfer Radioactive Materials License UT0900480 and Ground Water Discharge Permit UGW 170003

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**Mike Haynes**

Jan 28 (9 days ago)

to Donna, me, rgrebb, Rusty, John, Gwyn, Phillip, Rebecca, Norman, Scott, parker.wells, Bo

Ryan

Further to Donna's email, I also advise that the initial point of contact for Black Range Minerals should be Rod Grebb:

Office: [303-279-4946](tel:303-279-4946)  
Cell: [303-506-2061](tel:303-506-2061)  
Email: [rgrebb@blackrangeminerals.com](mailto:rgrebb@blackrangeminerals.com)

Equally, if necessary, please don't hesitate to contact me at any time.

Regards

Mike Haynes  
**Managing Director**  
**BLACK RANGE MINERALS LIMITED**

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## Appendix B

### Questions provided by Scott Schierman for the Conference Call

(Black text-questions and Red text-DRC answers)

Ryan

Uranium One and Black Range have reviewed your email dated January 23, 2014 and look forward to our telephone conference on Thursday to discuss the Uranium One Radioactive Materials License (RML). In preparation for our telephone conference, Uranium One and Black Range have the following questions relating to the transfer and extension process for the RML for the Shootaring Mill:

- Your email sets forth a proposed schedule for the Utah DRC review. Uranium One and Black Range submitted the transfer application on January 15, 2014 and the extension request on January 20, 2014. Does the Utah DRC consider January 20, 2014 as the start date for purposes of the review schedule set forth in your January 23, 2014 email?

The review started on January 23, 2014.

- In the past, the Utah DRC has approved license transfers and extensions without the need for a public hearing. In 2011 the Utah DRC extended the RML until April 30, 2014 with a 30-day public comment period but no public hearing. Is a hearing required for the current extension request? If so, what is the basis for a hearing and what would be the nature of the hearing?

The difference in this transfer of control versus other transfer of controls of similar facilities, is that this is a complete transfer of control. Meaning this transfer of control is not only a change in name but also a complete change in staffing and company oversight. When Energy Fuels took over from Dennison, there was no change in personnel at the Mill and the corporate people remained in their oversight positions of the Mill. Therefore, Rusty is using the Director Discretion clause in R313-17 and is requiring a public comment period.

The Atomic Energy Act 274 requires a public hearing, because we are doing a licensing action and transferring control of 11e.(2) material. The public hearing would be in Salt Lake City and it would include an opportunity for the public to "cross examine" (i.e. public asks questions, DRC and Licensee answers questions).

- Uranium One and Black Range made separate filings with respect to the transfer of the license (which was submitted January 15, 2014) and the extension of the license (which was submitted January 20, 2014), and consider the approvals of the transfer and the extension to be separate actions. In our experience the Utah DRC has been able to complete the review for a license transfer in a matter of weeks without the need for a public comment period, hearing or the preparation of a Statement of Basis. We understand that the extension process often takes longer as outlined in your January 23, 2014 email. Would the Utah DRC consider conducting the review of the transfer and the extension separately but concurrently, so that the transfer is not delayed due to the longer process involved in the license

extension and to avoid unintentionally subjecting the proposed transfer to the public comment and hearing processes?

In the January 14 and 20, 2014, filings, in the 3<sup>rd</sup> paragraph of both requests, a 36 month extension were requested. It does not make sense to treat them as separate actions and separating them would not eliminate the public comment and public hearing requirement for the transfer of control request. From now, the State of Utah has committed to do a public comment and public hearing for 11e.(2) licensing (U-Mill) actions as per the Atomic Energy Act 274.

- Please confirm that the Utah DRC considers the filings made by Uranium One and Black Range on January 20, 2014 as a timely extension application that will keep the current RML in effect until the Utah DRC issues its decision with respect to the requested extension, even in the event the decision is issued after the RML's current expiration date of April 30, 2014.

The DRC understands that the new owners (Black Range Minerals) will need time to prepare a renewal application. However, the DRC does not think it is appropriate that the extension would go beyond the time when Black Range Minerals proposes to have the startup date of the Mill.

- We understand the Utah DRC is preparing interrogatories with respect to the license transfer and extension. Please confirm when we should expect to receive the interrogatories. Should the Utah DRC agree with the separate yet concurrent approach concerning the transfer and extension applications, for clarity we suggest that the interrogatories be submitted separately.

Staff plans on having them done by January 31, 2014.

Included below is conference call information for the conference call on Thursday, January 30, 2014 at 3:30pm MST. Uranium One and Black Range plan to have representatives from each company and legal counsel on the conference call.

**Thursday, January 30, 2014, 3:30pm MST**