



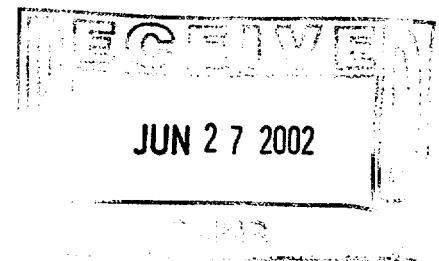
Highland Uranium Project
P. O. Box 1210
Glenrock, Wyoming USA 82637
Casper: 307-235-1628
Douglas: 307-358-6541
Fax: 307-358-4533

Via Fax

June 24, 2002

Mr. Dan Gillen, Chief FCFB
Division of Fuel Cycle Safety and Safeguards
Mail Stop T-8A33
U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20850

RE: SUA-1548
Docket No. 40-8964
Smith Ranch ISL Facility – Change of Licensee



Dear Mr. Gillen:

As the NRC staff is aware, Power Resources, Inc. (PRI) has entered into a Purchase Agreement to buy the Smith Ranch ISL Facility (NRC License No. SUA-1548), located in east-central Wyoming, and adjacent to PRI's Highland Uranium Project, from Rio Algom Mining Corp. (Rio Algom). Consistent with the June 19, 2002 correspondence from Rio Algom to NRC, the closing of the sale is scheduled for July 22, 2002, pending the approval of all licenses and permit transfers from the regulatory authorities, including the NRC. In order to facilitate the NRC licensee transfer process, PRI herein supplies the following information for the change of ownership and control consistent with the NRC Regulatory Issue Summary 2001-04, dated January 24, 2001 and NUREG-1556, Volume 15.

Description of the Transaction

PRI has entered into a Purchase Agreement to acquire the Smith Ranch ISL Facility from Rio Algom. The name will change from the "Rio Algom Smith Ranch ISL Facility" to the "Smith Ranch ISL Facility". The PRI contact is William F. Kearney, Manager-Health, Safety and Environmental Affairs/CRSO, 307-358-6541 ext. 205. Mr. Kearney is located at the adjacent Highland Uranium Project (HUP).

As the future owner of these projects, PRI desires the transfer of NRC Source Material License No. SUA-1548 from Rio Algom to PRI effective with the closing of the purchase scheduled for July 22, 2002.



Changes in Personnel

PRI is the owner and operator of the Highland Uranium Project and the Ruth/North Butte ISL Projects, and holds NRC License Nos. SUA-1511 and SUA-1540, respectively, for these operations. As such, PRI is responsible for conducting operations at these facilities in accordance with NRC regulations and license requirements. To ensure compliance with NRC regulations and license requirements, PRI maintains qualified personnel and an effective organization structure.

To facilitate the economic operation of both the Smith Ranch Facility and the Highland Uranium Project during the current depressed uranium market, PRI intends to combine, to some degree, the work forces of both operations. This will be easily accomplished as the operations are adjacent to each other and contain common License Area boundaries. PRI intends to utilize the same senior management personnel responsible for the environmental, industrial safety, and radiation safety programs, and the control of licensed material at the Highland Uranium Project, at the Smith Ranch Facility. Consistent with current operations at the Highland Uranium Project, W.F. Kearney, Manager-Health, Safety and Environmental Affairs/Corporate Radiation Safety Officer (CRSO), will be responsible for direct supervision of the environmental and radiation safety programs at both operations. Mr. Kearney has over 10 years experience in these areas and is well known to the NRC staff.

PRI intends to consolidate the environmental, industrial safety, and radiation safety programs and personnel from both operations to facilitate and enhance the environmental and safety programs at the current operations. Figure 1 shows the planned reporting structure for personnel responsible for the combined PRI environmental and safety programs.

Changes in Organization, Location, Facilities, Equipment or Procedures

The organization and personnel discussed above will oversee the licensed activities. PRI does not intend to change the existing location of use, facilities, or equipment at the Smith Ranch Facility. As part of the efforts to combine work forces and operations between the Smith Ranch Facility and the Highland Uranium Project, PRI intends to consolidate Main Office staff and Central Processing Facility operations (uranium elution, drying, and packaging) from the Highland Uranium Project to the adjacent Smith Ranch Facility at some time in the near future after the acquisition is complete.

PRI intends to maintain the majority of the operating procedures utilized at the Smith Ranch Facility. As part of the consolidation of activities at both operations, PRI anticipates the need to revise certain procedures to accommodate planned operational changes. PRI intends to revise any operating procedures in accordance with the applicable license protocol.

Transferee's Commitment to Abide by Transferor's Commitments

PRI fully intends to abide by all constraints, conditions, requirements, and commitments associated with transfer of License SUA-1548 including all surveillance programs.

In accordance with License Condition No. 9.5 of License SUA-1548, PRI is also concurrently working with the Wyoming Department of Environmental Quality (WDEQ) to establish surety instruments of \$8,676,084.

PRI hopes that the information submitted herein is sufficient to allow NRC to transfer License SUA-1548 concurrent with the final transactions and closing of the sale which are scheduled for July 22, 2002. If you have any questions or need additional information, please call Bill Kearney at (307)358-6541 ext. 205.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Kearney".

W.F. Kearney

Manager – Health, Safety & Environmental Affairs

WFK/ksj

cc: Mr. Rick Chancellor – WDEQ-LQD, Cheyenne, WY
Mr. Chuck Cain – NRC Region IV, Arlington, TX
Mr. Paul Goranson – Rio Algom
S.P. Collings - PRI

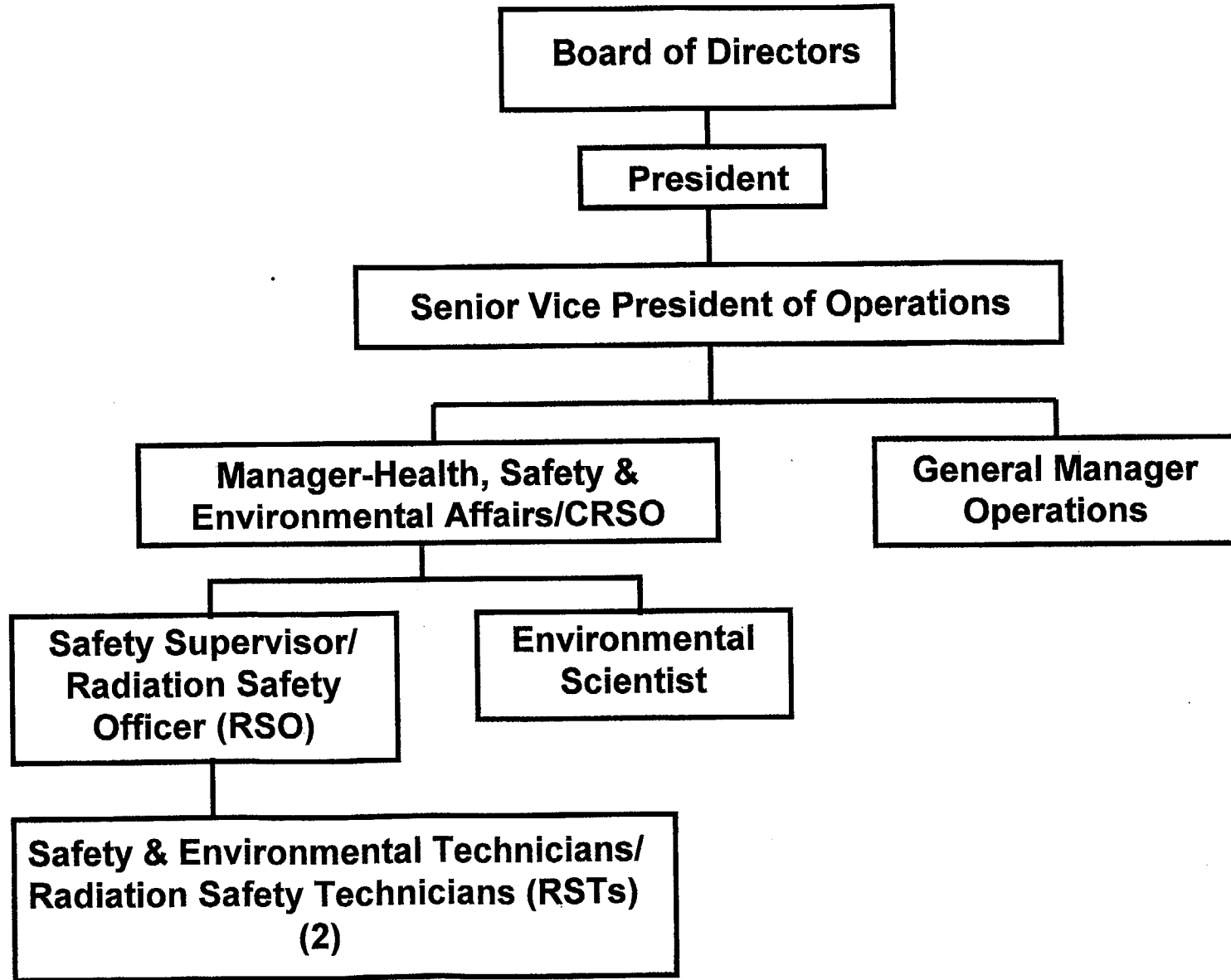


Figure 1: PRI Environmental and Safety Reporting Structure

JUL - 1 2002

DATE

This is to acknowledge the receipt of your letter/application dated 6/24/02, and to inform you that the initial processing, which includes an administrative review, has been performed.

☒ There were no administrative omissions. Your application will be assigned to a technical reviewer. Please note that the technical review may identify additional omissions or require additional information.

☐ Please provide to this office within 30 days of your receipt of this card:

The action you requested is normally processed in 90 days.

A copy of your action has been forwarded to our License Fee & Accounts Receivable Branch, who will contact you separately if there is a fee issue involved.

Your action has been assigned Mail Control Number 469162.
When calling to inquire about this action, please refer to this mail control number.
You may call me at 817-860-8103.

Sincerely,

Colleen Murnahan

Licensing Assistant

NRC FORM 532 (RIV)
(11-1999)

BETWEEN:

License Fee Management Branch, ARM
and
Regional Licensing Sections

(FOR LFMS USE)
INFORMATION FROM LTS

Program Code: 11500
Status Code: 2
Fee Category: 2A1
Exp. Date: 19970301
Fee Comments: 2A2AII FOR 171
Decom Fin Assur Req'd: Y
.....

LICENSE FEE TRANSMITTAL

A. REGION

1. APPLICATION ATTACHED

Applicant/Licensee: RIO ALGOM MINING CORP.
Received Date: 20020627
Docket No: 4008964
Control No.: 469162
License No.: SUA-1548
Action Type: Amendment

2. FEE ATTACHED

Amount:
Check No.:

3. COMMENTS

Signed
Date

Colleen Murahan
7/11/02

B. LICENSE FEE MANAGEMENT BRANCH (Check when milestone 03 is entered /__/)

1. Fee Category and Amount: _____

2. Correct Fee Paid. Application may be processed for:

Amendment _____
Renewal _____
License _____

3. OTHER _____

Signed
Date

