

January 14, 2004

MEMORANDUM TO: Michael T. Lesar, Chief
Rules Review and Directives Branch
Division of Administrative Services
Office of Administration

FROM: Rick Weller, Senior Project Manager **/RA/**
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

SUBJECT: FINDING OF NO SIGNIFICANT IMPACT AND NOTICE OF
AVAILABILITY OF THE ENVIRONMENTAL ASSESSMENT IN THE
FEDERAL REGISTER CONCERNING THE LICENSE AMENDMENT
REQUEST FOR THE PROPOSED OPERATION OF THE GAS HILLS
PROJECT SATELLITE *IN SITU* LEACH URANIUM RECOVERY
FACILITY, SOURCE MATERIALS LICENSE SUA-1548

Attached please find one signed original, four copies, and an electronic version on a
floppy diskette of the subject **Federal Register** Notice for your transmittal to the Office of the
Federal Register for publication.

Docket No. 40-8964
License No. SUA-1548

Attachments: 1. One original and four copies
2. One floppy diskette (electronic version)

CONTACT: Rick Weller,
Project Manager, NMSS/FCSS
(301) 415-7287

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DATE	10/16/03		10/17/03		11/3/03		1/8/04	

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U.S. NUCLEAR REGULATORY COMMISSION

DOCKET NO. 40-8964

**FINDING OF NO SIGNIFICANT IMPACT AND NOTICE OF AVAILABILITY OF THE
ENVIRONMENTAL ASSESSMENT CONCERNING THE
LICENSE AMENDMENT REQUEST FOR THE OPERATION
OF THE GAS HILLS PROJECT SATELLITE
IN SITU LEACH URANIUM RECOVERY FACILITY**

ACTION: Notice of Availability; Environmental Assessment and Finding of No Significant Impact

FOR FURTHER INFORMATION CONTACT: Rick Weller, Fuel Cycle Facilities Branch, Division of Fuel Cycle Safety and Safeguards, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Mail Stop T8-A33, Washington D.C. 20555-0001, telephone (301) 415-7287 and e-mail rmw2@nrc.gov.

SUPPLEMENTARY INFORMATION:

I. Introduction

The U.S. Nuclear Regulatory Commission (NRC) received, by letter dated June 24, 1998, a request from Power Resources Inc. (PRI) to amend Source Materials License SUA-1511 for the Highland Uranium Project to allow the operation of a satellite *in situ* leach uranium recovery facility at the Gas Hills Project site located in Fremont and Natrona Counties, Wyoming. PRI subsequently acquired the operating Smith Ranch *in situ* leach uranium recovery facility located adjacent to the Highland Uranium Project and, in August 2003, the

Highland license (SUA-1511) was integrated into the Smith Ranch Source Materials License SUA-1548. As such, PRI's request to amend the Highland license for the Gas Hills Project became a request to amend the Smith Ranch license (SUA-1548) upon the combination of the two licenses for these contiguous facilities.

Pursuant to the requirements of 10 CFR Part 51 (Environmental Protection Regulations for Domestic Licensing and Related Regulatory Functions), the NRC has prepared an environmental assessment (EA) to evaluate the environmental impacts associated with the proposed operation of the Gas Hills Project satellite *in situ* leach uranium recovery facility. Based on this evaluation, the NRC has concluded that a Finding of No Significant Impact (FONSI) is appropriate for the proposed licensing action.

II. Summary of the Environmental Assessment

The EA was prepared to evaluate the environmental impacts associated with the proposed operation of the Gas Hills Project satellite *in situ* leach uranium recovery facility. In the conduct of its evaluation, the NRC considered the following: (1) PRI's license amendment application, as supplemented and revised, (2) information contained in prior environmental evaluations of uranium recovery activities in the Gas Hills Uranium District of Wyoming, and (3) information derived from NRC site visits to the Gas Hills Project site and from communications with PRI, the Wyoming Department of Environmental Quality, the Wyoming State Historic Preservation Office, the Wyoming Game and Fish Department, the Wyoming State Geological Survey, the U.S. Fish and Wildlife Service, and the U.S. Bureau of Land Management. In preparing the EA, the NRC evaluated the environmental impacts associated with the construction, operation, reclamation, and decommissioning of the Gas Hills Project, including the impacts to air quality, local soils, surface water, groundwater, cultural resources, and

threatened and endangered species. Additionally, the NRC evaluated the potential impacts to members of the public from transportation activities and from releases of radioactive materials to the environment and disposal of radioactive wastes. The results of the staff's evaluation are documented in an EA which is available electronically for public inspection or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). The safety aspects of the Gas Hills Project are discussed separately in a Safety Evaluation Report that will accompany the agency's final licensing action on PRI's request to amend Source Materials License SUA-1548.

III. Finding of No Significant Impact

Pursuant to 10 CFR Part 51, the NRC has prepared the EA, summarized above, concerning the proposed operation of the Gas Hills Project satellite *in situ* leach uranium recovery facility. On the basis of the EA, the NRC has concluded that this licensing action would not have any significant effect on the quality of the environment, and, therefore, an environmental impact statement is not required. The NRC has concluded that the approval of the Gas Hills Project will not cause any significant impacts on the environment and is protective of human health. The basis for this conclusion is supported by the following findings. The NRC has determined that the Gas Hills Project will not result in any adverse impacts to regional surface water or groundwater. A groundwater monitoring program will be established to detect both horizontal and vertical excursions of the circulating groundwater used to leach uranium from the subsurface ore bodies. Any groundwater impacted by these uranium recovery operations will be restored to baseline water quality conditions or, as a minimum, to the pre-mining Wyoming class-of-use water quality standards. All radioactive wastes generated by facility operations will be disposed offsite at a licensed disposal site. Evaporation ponds

constructed for the temporary storage of process waste streams will be provided with both primary and secondary liners and leakage detection and collection capability. Standard operating procedures will be established for all operational process activities involving radioactive materials that are handled, processed, or stored. Radiological effluents from the operation of the well-field, ion exchange, and water treatment facilities will be a small fraction of regulatory limits, and an environmental and effluent monitoring program will monitor all releases. A radiation protection program will be established to ensure that exposures will be kept as low as is reasonably achievable.

IV. Further Information

The EA for this proposed action as well as the licensee's request, as supplemented and revised, are available electronically for public inspection in the NRC's Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. The ADAMS Accession Numbers for the licensee's request, as supplemented and revised, are: ML030300468, ML030300472, ML030300495, ML030300504, ML030300524, ML030300553, ML030300554, ML030300612, ML030300622, ML030300672, ML030300719, ML030310080, ML030310108, ML030310133, ML030310195, ML030310304, ML030310343, ML030310345, ML030310352, ML030310413, ML030310415, ML030310499, ML030310503, ML030310519, ML030310529, ML030310540, (June 24, 1998); ML023640335, ML023640343, (September 24, 1999); ML993300211 (November 11, 1999); and ML021340187 (May 3, 2002). The ADAMS Accession Numbers for the EA are: ML040070538 and ML040070311. Documents can also be examined and/or copied for a fee, at the NRC's Public Document Room, located at One White Flint North, 11555 Rockville Pike, Rockville, MD 20852. Any questions with respect to this

action should be referred to Rick Weller, Fuel Cycle Facilities Branch, Division of Fuel Cycle Safety and Safeguards, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Mail Stop T8-A33, Washington D.C. 20555-0001, telephone (301) 415-7287.

Dated at Rockville, Maryland, this 14th day of January, 2004

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

/RA/

Rick Weller, Senior Project Manager
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
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