



Smith Ranch - Highland  
Uranium Project  
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June 3, 2004

Addressee Only  
Mr. Gary Janosko, Chief FCLB  
Fuel Cycle Licensing Branch, NMSS  
Mail Stop T-8A33  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

RE: Smith Ranch – Highland Uranium Project  
Docket no. 40-8964, SUA-1548  
Planned Submittal of License Amendments to NRC

Dear Mr. Janosko:

It was a pleasure visiting with you at the recent NMA/NRC Workshop in Denver. As I and some colleagues discussed afterwards, this workshop was certainly more informative and well attended compared to recent ones. As some presenters suggested, the increase in attendance was probably due in part to the rebound in the price of uranium and increasing interest in the production of uranium in the U.S.

Given this situation, I thought it would be helpful to inform you of Power Resources, Inc. (PRI's) intention to increase production from our Wyoming properties and the corresponding need to submit at least two significant License Amendment Requests that will require timely action by the NRC. It is planned to submit a License Amendment Request for the Reynolds Ranch Project that is located immediately adjacent to the northern boundary of the Smith Ranch-Highland Uranium Project (SR-HUP). This request will add the Reynolds Ranch Project to the SR-HUP, and it will include the licensing and operation of a Satellite facility and Deep Disposal Well, in addition to the ISL Wellfields.

The Reynolds Ranch Project will be operated as a Satellite to the SR-HUP, with loaded IX resin being trucked approximately 7.5 miles to the Smith Ranch Central Processing Facility. PRI intends to begin construction of the Satellite facility no later than June 1, 2006 in order that ISL mining can commence by October 1, 2007. As discussed with Mr. John Lusher, because the Reynolds Ranch Project and the accompanying Satellite facility have not been previously reviewed by the NRC, it is likely that the NRC will need to complete an Environmental Assessment (EA) for this action. It is also anticipated that a Permit to Mine from the WDEQ will be required. PRI is currently assembling the information necessary for the NRC and WDEQ. It is planned to submit the License Amendment Request to the NRC during December 2004.



A member of the Cameco group of companies

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Similarly, as also discussed with Mr. John Lusher, PRI intends to begin production activities at the North Butte Project at about the same time. Although the North Butte Project is currently licensed by the NRC as a Satellite facility to the SR-HUP, License Condition No. 10.2.1 requires PRI to submit a revised Operations Plan, in accordance with the guidance provided in NUREG-1569, for NRC review and approval. It is not anticipated that an EA will be required for this action as the facility is already licensed, although the current Operations Plan (previously owned by and licensed to Pathfinder Mines Corporation) needs to be updated to reflect PRI's plans for operation in accordance with NUREG-1569.

PRI is hopeful that by providing this advanced notice of required licensing actions, NRC can be prepared to respond to our needs in a timely manner. Such a response is critical to PRI's current business plan for mining uranium. As is always the case, PRI representatives are available to assist NRC in any way with these licensing actions. It is expected that we will meet with your staff in early 2005 after they have completed the initial review of the submittals.

If you or your staff have any questions or suggestions concerning PRI's planned submittals, please don't hesitate to contact me at 307-358-6541 ext 62.

Sincerely,



W.F. Kearney  
Manager-Health, Safety  
& Environmental Affairs

WFK/ksj

cc: J. Lusher, NRC Project Manager  
F.T. Newton  
S.P. Collings  
R. Knöde  
K. Milmine  
File SR-4.6.4.1