

Smith Ranch - Highland Uranium Project

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October 19, 2005

ATTN: Document Control Desk

Gary S. Janosko, Chief
Fuel Cycle Facilities Branch,
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
11545 Rockville Pike, Two White Flint North
Rockville, MD 20852-2738

RE: Smith Ranch-Highland Uranium Project NRC License SUA-1548, Docket No. 40-8964 Surface and Facility Reclamation Activities

Dear Mr. Janosko:

This letter is to inform you that Power Resources, Inc. (PRI) has begun preliminary surface and facility reclamation activities in the Mine Unit-A and B area. Activities conducted thus far include plugging of all injection and production wells in Mine Unit-A, and select wells in Mine Unit-B (wells that have failed mechanical integrity testing or will not be needed if additional groundwater restoration is required). Groundwater restoration in Mine Unit-A is complete and approved, and approval of Mine Unit-B groundwater restoration by the Wyoming Department of Environmental Quality- Land Quality Division (WDEQ-LQD) is anticipated within the next few weeks. The Mine Unit-B restoration report will then be submitted to the NRC for review and approval.

Surface and facility reclamation activities will be conducted in accordance with Chapter 6, Reclamation Plan, of the License Application. These procedures have been considered acceptable and in compliance with 10 CFR 40.32, 10 CFR 40.41, 10 CFR 40 Appendix A, and 10 CFR 51.45 as described in Section 6.2, Plans and Schedules for Reclaiming Disturbed Lands; Section 6.3, Procedures for Removing and Disposing of Structures and Equipment; and Section 6.4, Procedures fro Conducting Postreclamation and Decommissioning Surveys of the Safety Evaluation Report for License No. SUA-1548. Final decommissioning plans will be submitted to the NRC for review and approval in accordance with License Condition 9.11. It is anticipated that these plans will be submitted by the end of 2006.





If you or your staff has any questions on reclamation or decommissioning activities, please call me at 307-358-6541 ext. 46.

Sincerely,

Ken Milmine

Manager-Health, Safety & Environmental Affairs

KLM

cc: File SR-4.6.4

S. P. Collings C. Foldenauer

L. Huffman