

April 10, 2006

Robert Specht
Casper Field Office
U.S. Bureau of Land Management
2987 Prospector Drive
Casper, Wyoming 82604

SUBJECT: DRAFT ENVIRONMENTAL ASSESSMENT FOR THE ADDITION OF THE
REYNOLDS RANCH MINING AREA TO POWER RESOURCES, INC.'S
SMITH RANCH / HIGHLAND URANIUM PROJECT, CONVERSE COUNTY, WY

Dear Mr. Specht:

The U.S. Nuclear Regulatory Commission (NRC) staff is currently reviewing a request submitted by Power Resources, Inc. (PRI) on January 14, 2005, to amend its NRC license to accommodate *in situ* leach uranium mining in the 8,704-acre Reynolds Ranch amendment area. This amendment area is contiguous with PRI's current permit area boundary for its Smith Ranch-Highland Uranium Project in Converse County, WY. NRC staff is reviewing PRI's amendment request in accordance with the NRC's regulations in 10 CFR Part 51, which implement the requirements of the National Environmental Policy Act of 1969, as amended.

NRC staff has completed its environmental review of PRI's amendment request and has drafted an Environmental Assessment (EA) to document our findings. We conclude in the draft EA that the proposed action (*i.e.*, *in situ* leach mining in the Reynolds Ranch amendment area) would not significantly affect the quality of the human environment. Please find enclosed a copy of the draft EA, which is marked as pre-decisional information, for review and comment. We request that the distribution and use of this document be limited only to those staff involved in the review and comment process. We further request that any comments be provided to NRC staff within 30 days of receipt of this letter.

NRC staff will consider your timely comments and will revise the EA, as appropriate, before its final issuance. Concurrent with the issuance of the EA, NRC staff plans to forward its Finding of No Significant Impact for publication in the *Federal Register*.

R. Specht

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If you or your staff have any questions on this matter, please contact me. I can be reached via email at jrp@nrc.gov or by telephone at (301) 415-5835.

Sincerely,

/RA/

James R. Park, Environmental Project Manager
Division of Waste Management
and Environmental Protection
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-8964

Enclosure:
Environmental Assessment (Pre-Decisional Draft)

cc: K. Milmine, PRI (w/o enclosure)

R. Specht

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DISTRIBUTION: w/o enclosure
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