

August 24, 2006

Mr. John McCarthy  
Power Resources, Inc.  
Smith Ranch-Highland Uranium Project  
P.O. Box 1210  
Glenrock, WY 82637

SUBJECT: REQUEST FOR ADDITIONAL INFORMATION - SMITH RANCH-HIGHLAND  
URANIUM PROJECT SOUTHWEST AREA HYDROLOGIC TEST PLAN -  
SOURCE MATERIALS LICENSE SUA-1548

Dear Mr. McCarthy:

The U.S. Nuclear Regulatory Commission (NRC) staff has initiated its review of the Smith Ranch-Highland Uranium Project (SR-HUP) Southwest Area Hydrologic Test Plan (the Plan) dated July 31, 2006, and submitted per License Condition 10.1.10 of Source Materials License SUA-1548. During the review, several apparent deficiencies have been identified in the Plan. These include:

1. Based on Figures 1 and 2, it appears that portions of the projected Mine Unit SW excursion monitoring ring will be located outside the SR-HUP permit boundary (per Source Materials License SUA-1548). Mine Unit operations, including injection, recovery, and monitor wells, must be conducted within the approved permit boundary. Please provide an explanation for this apparent deviation from permitted activities.
2. As stated in Section 1.0, paragraph 3, please provide the locations of Satellite SR-2, and associated trunk line to the Central Processing Plant on Figures 1 and 2.
3. Please provide more detailed information for the boring logs used in the cross sections depicted on Figures 3, 4, 4a, 5, and 6, and for the formation thicknesses listed in Figures 7 through 11. This information, which can be provided in a tabular format, can include boring designation; permit number; easting and northing; elevation; total depth; year installed; section, township and range; and other pertinent boring/subsurface features related to the proposed activities.
4. Please provide a plan view map that shows the locations of the boring logs used to develop Cross Sections A, B, 1, and 2.
5. Please provide either a key, legend, or footnote that indicates the type of geophysical logs depicted on Figures 3, 4, 4a, 5 and 6.
6. Please provide the basis (e.g., hydraulic analysis) to support the statement, "preliminary estimates suggest a test of this rate and duration should result in a radius of influence on the order of 4,000 feet allowing the entire Southwest Area to be covered by two pumping wells."

7. Please provide a plan view map that shows the locations of wells KM-8-137CM, KM-8-138-8, KM-8-140P, KM17-421, and KM17-422 with respect to the proposed pump tests.

It is the staff's understanding that Power Resources, Inc. would like to initiate the proposed testing as soon as possible. Consequently, please provide the requested information within 30 days of the date of this letter so that the staff may expedite the review.

If you have any questions concerning this letter, please contact me, either by telephone at (301) 415-7612, or by e-mail, at [pxm2@nrc.gov](mailto:pxm2@nrc.gov).

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and the enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Paul Michalak  
Uranium Processing Section  
Fuel Cycle Facilities Branch  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

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

- 7. Please provide a plan view map that shows the locations of wells KM-8-137CM, KM-8-138-8, KM-8-140P, KM17-421, and KM17-422 with respect to the proposed pump tests.

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Sincerely,

/RA/

Paul Michalak  
 Uranium Processing Section  
 Fuel Cycle Facilities Branch  
 Division of Fuel Cycle Safety  
 and Safeguards  
 Office of Nuclear Material Safety  
 and Safeguards

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

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