January 31, 2007

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

SUBJECT: REVIEW OF REQUEST TO OPERATE THE REYNOLDS RANCH PROJECT IN SITU LEACH URANIUM RECOVERY FACILITY - AMENDMENT 11 TO SOURCE MATERIAL LICENSE SUA-1548 (TAC J00127)

Dear Mr. McCarthy:

By letter dated January 14, 2005 to the U.S. Nuclear Regulatory Commission (NRC), Power Resources, Inc. (PRI) submitted an application requesting an amendment to Source Material License SUA-1548) to allow the operation of a satellite *In-Situ* Leach (ISL) uranium recovery facility at the Reynolds Ranch Project site. The Reynolds Ranch Satellite will be operated as part of the adjacent Smith Ranch-Highland Uranium Project (SR-HUP) in Converse County, Wyoming. PRI's application was supplemented and revised by letters dated April 7, 2005, and March 15, 2006, in response to NRC requests for additional information dated March 23 and September 8, 2005, respectively. Subsequent revisions to the application were provided by PRI in correspondence dated September 19, 2006.

NRC staff has completed its review of PRI's request to operate the Reynolds Ranch Project satellite ISL uranium recovery facility. This review included the preparation of an Environmental Assessment (EA) to evaluate the environmental impacts associated with the proposed Reynolds Ranch Project. The staff's environmental review is documented in the enclosed EA (Enclosure 1) and concludes that the proposed licensing action will not have a significant impact on the environment. Accordingly, pursuant to the requirements of 10 CFR Part 51, a Finding of No Significant Impact was prepared and published in the *Federal Register* on January 5, 2007 (72 FR 3), to document the staff's finding and to notice the availability of the EA and PRI's license amendment request, as supplemented and revised.

The staff's review also included a detailed evaluation of the safety aspects of the proposed Reynolds Ranch Project for compliance with the requirements of 10 CFR Part 40, Appendix A, and 10 CFR Part 20. The staff's detailed safety review is documented in the enclosed Safety Evaluation Report (SER) (Enclosure 2). Based on its review, the staff concludes that the proposed Reynolds Ranch Project satisfies the requirements of 10 CFR Part 40, Appendix A, and 10 CFR Part 20. Accordingly, the staff has determined that PRI's request to amend the SR-HUP Source Materials License SUA-1548 is acceptable. The staff hereby approves PRI's amendment request for the Reynolds Ranch Project, subject to the changes to PRI's license as described in Section 8.0 of the enclosed SER. Specifically, the staff has revised License Conditions (LCs) 9.1, 9.3, 9.5, 9.6, and 9.9 and included new LCs 9.13 and 10.4.1. License Amendment No. 11 is enclosed (Enclosure 3).

In addition to the above amendments, LC 9.2 has been revised to reflect organizational changes within NRC. All correspondence related to this license shall be sent to the following address: Deputy Director, Decommissioning and Uranium Recovery Licensing Directorate, Division of Waste Management and Environmental Protection, Office of Federal and State Materials and Environmental Management Programs, Mailstop T7-E18, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by express delivery to 11545 Rockville Pike, Rockville, MD 20852-2738.

If you have any questions regarding this letter, please contact Paul Michalak, the Project Manager for Source Material License SUA-1548, at (301) 415-7612, or by e-mail, to pxm2@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records 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.

Sincerely,

/RA/

Keith I. McConnell, Deputy Director
Decommissioning and Uranium Recovery
Licensing Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

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

Enclosures:
1. Environmental Assessment for the Reynolds Ranch Amendment
2. Safety Evaluation Report for the Reynolds Ranch Amendment
3. Amendment No. 11 to Source Materials License SUA-1548

cc: S. Ingle, WDEQ

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/RA/
Keith I. McConnell, Deputy Director
Decommissioning and Uranium Recovery
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Docket No.: 40-8964
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(CLOSES TAC J00127)
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