

December 14, 2006

Mr. John McCarthy
Manager-Health, Safety
and Environmental Affairs
Power Resources, Inc.
P.O. Box 1210
Glenrock, WY 82637

SUBJECT: REQUEST FOR ADDITIONAL INFORMATION - NORTH BUTTE SATELLITE
PROJECT - NRC LICENSE SUA-1548 (TAC NO. LU0133)

Dear Mr. McCarthy:

By letter dated July 5, 2006, Power Resources, Inc. (PRI) submitted to the U.S. Nuclear Regulatory Commission (NRC), the "North Butte ISL Satellite Project, Campbell County, Wyoming" (the PRI Plan) per Condition 10.2.1 of Source Materials License SUA-1548. Specifically, License Condition 10.2.1 requires the following:

Before engaging in any commercial in situ leach activity not previously assessed by the NRC, the licensee shall prepare a new operating plan in accordance with the guidance in NUREG-1569 (June 2003), for NRC review and approval, and shall prepare and record an environmental evaluation of such activity. When the evaluation indicates that such activity may result in a significant adverse environmental impact that was not previously assessed or that is greater than that previously assessed, the licensee shall provide a written evaluation of such activities and obtain prior approval of the NRC in the form of a license amendment.

The submitted Plan contains four volumes: Volume I (Supportive Information), Volume 1-A (Chapters 1-10), Volume II (Maps), and Volume III (Ground Water Supplement). NRC staff has reviewed the Plan, using the Standard Review Plan for In Situ Leach Uranium Extraction License Applications (NUREG-1569), and finds that it needs additional information in order to complete its review. The information is identified in the enclosure.

Please note that a comparison of the original March 7, 1989 Uranerz USA, Inc. (Uranerz) license application for the North Butte site and the PRI Plan revealed two distinct differences: (1) the MILDOS modeling results contained in Volume I are taken directly from the original Uranerz application; however, the proposed North Butte facility differs from the Uranerz design (see Enclosure Comment 20); and (2) the original Uranerz application did not consider transporting uranium-loaded resin from the North Butte facility to the Smith Ranch-Highland Uranium Project Central Processing Plant (see Enclosure Comment 21). Both items may result in a significant adverse environmental impact that (was) not previously assessed or that (is) greater than that previously assessed. Completion of the requirements in License Condition 10.2.1 requires that the licensee provide a written environmental evaluation of these issues.

J. McCarthy

2

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.

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/

Paul Michalak, Hydrogeologist
Uranium Recovery Branch
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

Enclosure: Request for Additional Information

J. McCarthy

2

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.

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/

Paul Michalak, Hydrogeologist
Uranium Recovery Branch
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

Enclosure: Request for Additional Information

DISTRIBUTION:

DURLD r/f

ML063380027

OFC	DWMEP	DWMEP	DWMEP
NAME	PMichalak	BGarrett	BvonTill
DATE	12/15/06	12/14/06	12/14/06

OFFICIAL RECORD COPY