



Smith Ranch - Highland
Uranium Project
P. O. Box 1210
Glenrock, Wyoming USA 82637
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December 28, 2006

Paul Michalak
U.S. Nuclear Regulatory Commission
Uranium Processing Section
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety and Safeguards
Two White Flint North
11545 Rockville Pike
Rockville, MD 20852-2738

RE: Response to Request for Additional Information Concerning Satellite SR-2.
Source Materials License SUA-1548, Docket No: 40-8964 (TAC No. J00504)

Dear Mr. Michalak:

In response to your letter dated November 9, 2006 requesting additional information regarding Smith Ranch - Highland Uranium Project's (SR-HUP) proposed Satellite SR-2 construction.

Please find the questions and responses detailed below.

1. *Volume I, Sections 5.3.2 and 5.3.3 of the Reynolds Ranch Amendment submittal identify the six "Air Monitoring Stations" that are part of the SR-HUP and Reynolds Ranch continuous air monitoring program and discusses Passive Radon Gas Monitoring. Please describe how the present air monitoring program configuration accounts for emissions (including radon gas) from Smith Ranch-Highland Uranium Project (SR-HUP) In-Situ Leach (ISL) Satellite SR-2. In addition, Air Station No. 1, which reportedly monitors background conditions, is located approximately 4,000 feet northwest of the proposed location for SR-2. Please describe the expected impact, if any, SR-HUP ISL Satellite SR-2 will have on monitoring results (including passive radon gas monitoring) from Air Station No. 1.*

The existing Air Station No. 1 located in SW1/4 NW1/4 Section 8, T. 35 N, R. 74 W. will be relocated to the extreme southwestern edge of the monitor well ring, SW1/4 SW1/4, Section 18, T.35N. R. 75W, associated with construction of the first wellfield, Mine Unit 9. The station will be moved when power is available to the monitor wells in the area of the proposed Air Station No. 1. This new location will provide PRI with an upwind or background location for



the Air Station. As stated in the license application Volume I, page 2-11, 2.5.4 wind, the average wind speed is thirteen miles per hour from a southwesterly direction and is presented in the Wind Rose on Figure 2-4, page 2-42. The wind rose demonstrates that the proposed location is on average the most up-wind location of our Permit 633 and all proposed mine units and surface structures.

2. *Deep disposal wells for liquid effluents from SR-HUP Central Processing Plant (CPP), SR-1, Highland facility, and Reynolds Ranch Satellite (proposed) are discussed in Volume I, Section 4.2.1 of the Reynolds Ranch Amendment submittal: however, liquid effluent disposal for SR-HUP ISL Satellite SR-2 is not identified. Please describe how liquid effluent disposal will be addressed at SR-2.*

PRI is in the process of applying for a Class I Injection Well in the Southwest area, specifically NW1/4 NE1/4 Section 17 T. 35N. R. 74 W. The application will be submitted during December, 2006. The new well will be designated SR-2 and will dispose of liquid effluents from the proposed satellite.

3. *Please provide the background radiological characteristics for the soils at the proposed location for SR-HUP ISL Satellite SR-2 and for the proposed adjacent Mine Units 9 through 11.*

PRI has solicited bids on a Gamma Survey/Soil Sample consistent with NUREU-1569 (page 2-32) for the area covering Mine Units 9 through 11, the proposed satellite location and Deep Disposal Well location. This work should begin during the month of January, 2007.

Please find attached Figure I showing the location of PRI's proposed Air Sampling Station, Deep Disposal Well, area of permit amendment and Satellite SR-2. Please contact me if you have any questions at (307) 358-6541, ext. 46.

Regards,



John McCarthy
Manager, Safety, Health and Environment

cc: S. Collings

C. Foldenauer

File SR 4.6.4.1

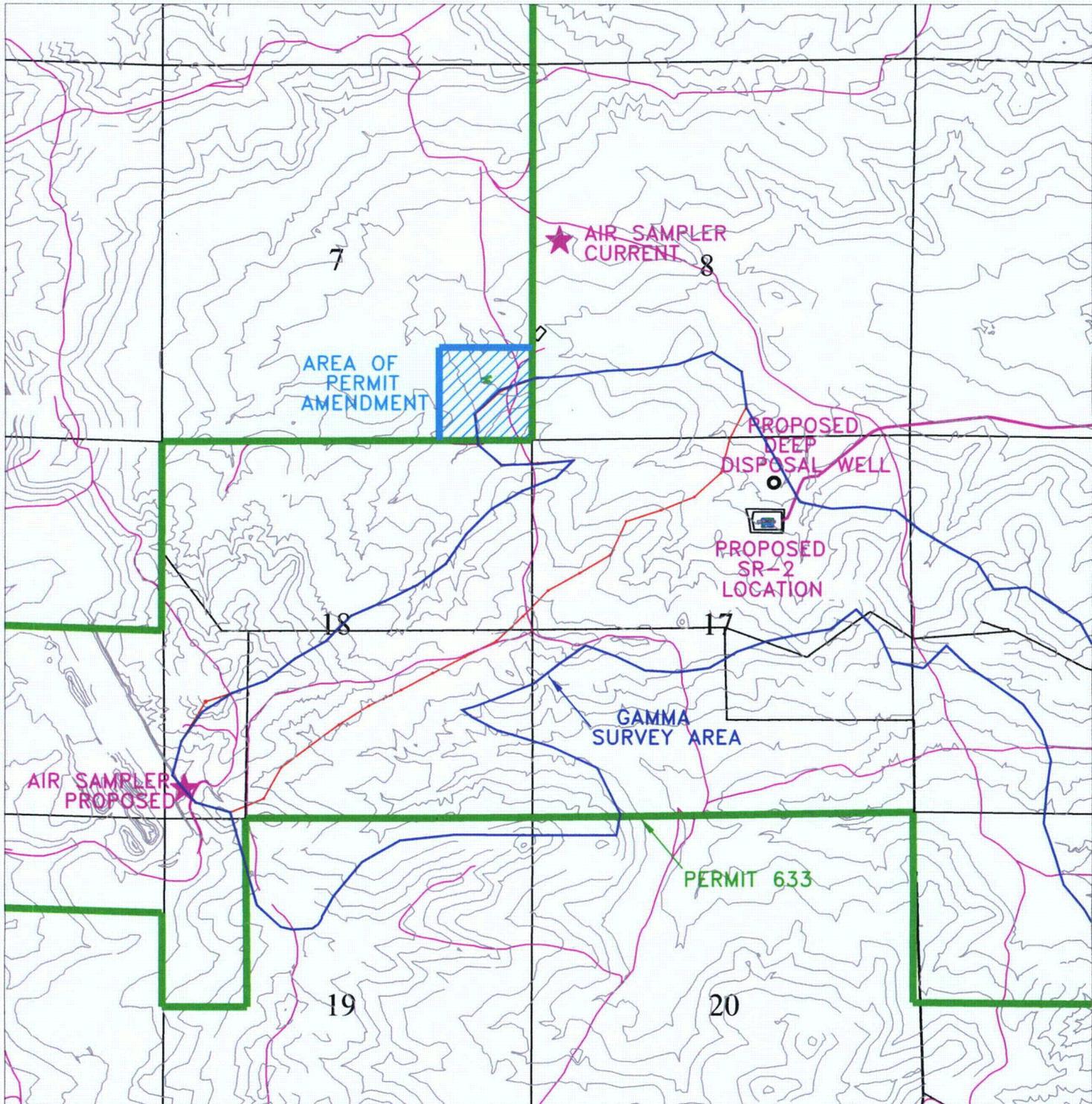


FIGURE 1

POWER RESOURCES, INC.		
<small>P.O. Box 1210 Glenrock, WY 82837 (307) 358-6541 (307) 235-1628</small>		
SMITH RANCH - HIGHLAND URANIUM PROJECT PROPOSED DEEP DISPOSAL, SATELLITE, & AIR SAMPLER LOCATION		
<small>DES. BY: _____ DATE: _____ APPR. BY: _____</small>		
<small>DRAWN BY: _____ DATE: _____ APPR. BY: _____</small>		
<small>CHECKED BY: _____ DATE: _____</small>		