

January 25, 2007

Ms. Claudia Nissley
State Historic Preservation Officer
Wyoming State Historic Preservation Office
Department of State Parks & Cultural Resources
2301 Central Avenue, Barrett Building, 3rd Floor
Cheyenne, WY 82002

SUBJECT: INITIATION OF SECTION 106 PROCESS FOR THE POWER RESOURCES,
INC. NORTH BUTTE ISL SATELLITE PROJECT

Dear Ms. Nissley:

By letter dated July 5, 2006, Power Resources, Inc. (PRI) submitted to the U.S. Nuclear Regulatory Commission (NRC) its North Butte *In Situ* Leach (ISL) Satellite Operating Plan per Condition 10.2.1 of Source Materials License SUA-1548.

The North Butte ISL Satellite facility is located Campbell County, approximately 35 air miles (54 road miles) from the City of Gillette, Wyoming. The North Butte ISL permit area totals 1,039 acres and is located in the following sections:

<u>Township</u>	<u>Range</u>	<u>Sections</u>
T 44 N	R 75 W	18 and 19
T 44 N	R 76 W	13, 23, 24, and 25

A map showing the boundaries of the North Butte ISL permit area is enclosed (Figure 1).

ISL mining involves injecting a carbonate/bicarbonate leaching solution and oxidant into a subsurface uranium ore body to dissolve the uranium and then pumping the uranium-bearing solution to the surface for further processing to remove and concentrate the uranium. Surface-disturbing activities associated with the proposed mining in the North Butte permit area would involve: (1) the laying of pipelines five feet below the ground surface to carry the leaching solution and the uranium-bearing solution; (2) the drilling of multiple injection, production, and monitor wells; and (3) the construction of access roads as needed. In addition, PRI is proposing to construct within the North Butte permit area a 19,000 ft² satellite building to house injection pumps, water treatment equipment, ion exchange columns for removing uranium from the solution, a small laboratory, and an employee break room.

As required by 36 CFR 800.4(a), the NRC is requesting the views of the State Historical Preservation Officer on further actions to identify cultural and historic properties that may be affected by the NRC's review of the proposed action (i.e., initiation of ISL activities within the North Butte permit area). Please note that an archaeological investigation of the North Butte permit area was performed by the Office of the Wyoming State Archaeologist in 1980. I have enclosed the title page and conclusion from this report. As you can see, the study recovered all discovered artifacts and recommended "no additional investigation," with the stipulation that "if

subsurface cultural remains are found during construction activities the appropriate state and federal agencies be contacted immediately.” Any additional information you provide will be used to document effects in accordance with 36 CFR 800.8(d). After assessing the information provided by you, the NRC staff will determine what additional actions are necessary to comply with the Section 106 consultation process.

If you have any questions concerning this matter, please contact me at (301) 415-7612 or by email at pxm2@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC’s “Rules of Practice,” 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/NRC/reading-rm/adams.html>.

Sincerely,

/RA/

Paul Michalak, Hydrogeologist
Uranium Recovery Licensing 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

Enclosures:

1. North Butte ISL Satellite Project Map
2. Cover page - Archeology of the Pumpkin Buttes: Final Report

cc: J. McCarthy, PRI

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