



**Smith Ranch - Highland
Uranium Project**
P. O. Box 1210
Glenrock, Wyoming USA 82637
Casper: 307-235-1628
Douglas: 307-358-6541
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January 31, 2007

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, T7E18
Rockville, MD 20852-2738

RE: Request for approval for construction of Satellite SR-2 at Smith Ranch-Highland.
Source Materials License SUA-1548, Docket No: 40-8964

Dear Mr. Michalak:

Power Resources, Inc. is hereby requesting review and approval of a proposed satellite facility in accordance with License Condition Number 10.1.5. "The licensee is prohibited from constructing new Satellite Facilities or waste water evaporation ponds prior to NRC review and approval of designs and specifications."

The satellite restriction was not included in the original Smith Ranch License dated April 13, 1994 through Amendment 18 dated January 19, 2001. This license condition was first mentioned with the issuance of the Performance Based License dated May 8, 2001. In our opinion, the satellite restriction is not related to the issuance of a new license.

Smith Ranch's original application to the NRC included the location of Satellite 2 (SR-2) and incorporated the facility in the submitted Mildos runs. The application was approved and license issued in April, 1994. In 2003 the Smith Ranch and Highland Licenses were combined to form a single license with operational considerations. The combined license application did not include an updated Mildos run to reflect this combination.

As a result of discussions with the Nuclear Regulatory Commission (NRC), Power Resources, Inc. (PRI) has been requested to update the Mildos run to reflect current source terms with appropriate time frames. PRI has contacted the consultant responsible for the Reynolds Ranch Mildos run to update the original Smith Ranch and Highland Mildos runs to reflect the combination of the respective licenses and current status. Satellite SR-2 is of the same design and specifications of the approved and built Satellite SR-1 and proposed Satellites at Reynolds Ranch. With only an updated mildos run



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obstructing approval of SR-2, PRI is respectfully requesting approval to initiate construction at Satellite SR-2 with the restriction that operations will not commence until the Mildos run is submitted and approved by the NRC. If you have any questions, please call me at (307) 358-6541, ext. 46.

Regards,

A handwritten signature in black ink, appearing to read "John McCarthy", with a stylized, flowing script.

John McCarthy
Manager, Safety, Health and Environment

cc: S. Collings C. Foldenauer

S. Ingle WDEQ File SR 4.6.4.1