

January 10, 2008

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

SUBJECT: REVIEW OF REQUEST TO CONSTRUCT AND OPERATE THE IN SITU
LEACH SATELLITE SR-2 - AMENDMENT 12 TO SOURCE MATERIALS
LICENSE SUA-1548 (TAC J00504)

Dear Mr. McCarthy:

By letter dated October 11, 2006, to the U.S. Nuclear Regulatory Commission (NRC), Power Resources, Inc. (PRI) submitted a request to construct and operate In Situ Leach (ISL) Satellite SR-2 (SR-2). SR-2 is located in the southwestern portion of PRI's Smith Ranch-Highland Uranium Project (SR-HUP), where ISL uranium recovery operations are currently conducted by PRI under Source Materials License SUA-1548. As required under License Condition 10.5.1:

The licensee is prohibited from constructing new Satellite Facilities or waste water evaporation ponds prior to NRC review and approval of designs and specifications.

Supplemental information pertaining to PRI's request to construct and operate SR-2 was forwarded to the NRC on December 28, 2006, and March 15, April 16, May 4, and July 30, 2007.

NRC staff has completed its review of PRI's request to construct and operate SR-2. This review included the preparation of an Environmental Assessment (EA) to evaluate the environmental impacts associated with the construction and operation of SR-2. 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 8, 2008 (73 FR 1367-1370), 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 NRC staff's review also included a detailed evaluation of the safety aspects of SR-2 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 SR-2 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 request to construct and operate SR-2, and will revise License Condition (LC) 9.3 to include PRI's SR-2 operational-related submittals of October 11, 2006, and December 28, 2006.

In addition, as previously discussed with PRI staff, LC 9.9 will be revised by adding the following condition related to Class III Cultural Resource inventoried sites located in the southwestern portion of the SR-HUP that have been designated eligible for the National Register of Historic Places.

LC 9.9 Before engaging in any development activity in T35N, R74W that would physically disrupt or disturb inventoried cultural sites that have been designated eligible for the National Register of Historic Places, the licensee shall propose mitigation measures, for NRC review and approval, which will preserve the integrity of these sites, as defined by the Advisory Council on Historic Preservation. These include inventoried sites 48CO352, 48CO1288, 48CO1289, 48CO1291, 48CO2462, 48CO2463, and 48CO2464.

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
ISL Satellite SR-2
2. Safety Evaluation Report for
ISL Satellite SR-2
3. Amendment No. 12 to Source
Materials License SUA-1548

cc: S. Ingle, WDEQ

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Sincerely,

/RA/

Keith I. McConnell, Deputy Director
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Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
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Docket No.: 40-8964
License No.: SUA-1548

Enclosures:

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ISL Satellite SR-2
2. Safety Evaluation Report for
ISL Satellite SR-2
3. Amendment No. 12 to Source
Materials License SUA-1548

cc: S. Ingle, WDEQ

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