July 23, 2008

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

SUBJECT: ACCEPTANCE REVIEW OF REQUEST FOR APPROVAL OF PROCESSING OF THIRD-PARTY RESIN AT THE SMITH RANCH-HIGHLAND URANIUM PROJECT (TAC J00565)

Dear Mr. McCarthy:

By letter dated June 19, 2008, to the U.S. Nuclear Regulatory Commission (NRC), Power Resources, Inc. (PRI) submitted a request to amend Source Materials License SUA-1548 to permit the processing of third-party uranium-loaded resin at the Smith Ranch-Highland Uranium Project (SR-HUP) into yellowcake. The staff has completed its acceptance review of PRI's amendment request and determined that the application is not sufficiently complete, and is therefore unacceptable, for the purpose of conducting a detailed technical review.

The application is deficient because of the lack of an environmental analysis of the potential impacts of transportation of third-party resins to the SR-HUP for processing and subsequent return to the third party. PRI can address this deficiency in either of two ways. PRI can withhold its license amendment request for processing of third-party resins until the third party is licensed for uranium recovery operations and has approval to ship uranium-loaded resins to SR-HUP for processing. In this case, the third party would be responsible for addressing the potential environmental impacts of transporting resin to and from the SR-HUP. Alternatively, PRI can provide a bounding, generic analysis of the potential impacts of unspecified third-party resin transport to and from the SR-HUP to address the deficiency in the license amendment request. If PRI chooses the latter course of action, please provide the requested additional information within 30 days of the date of this letter so that we may expeditiously complete this licensing action.

If you have any questions concerning this letter, please contact me, either by telephone at 301-415-0724 or, by e-mail, at douglas.manderville@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 (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html (The Public Electronic Reading Room).

Sincerely,

/RA/

Doug Mandeville, Geotechnical Engineer
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

cc: S. Bakken, PRI
S. Ingle, WDEQ
P. Rothwell, WDEQ

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