

May 5, 2011

Mr. Wayne W. Heili, President
Lost Creek ISR, LLC
5880 Enterprise Drive, Suite 200
Casper, WY 82609

SUBJECT: SECOND DRAFT MATERIALS LICENSE, LOST CREEK ISR, LLC,
LOST CREEK IN SITU RECOVERY PROJECT, SWEETWATER COUNTY,
WYOMING (TAC NO. J00559)

Dear Mr. Heili:

On January 11, 2011, U.S. Nuclear Regulatory Commission (NRC) staff provided a draft version of the license for Lost Creek ISR, LLC's (LCI's) Lost Creek In Situ Recovery Project (ML103340234). LCI provided comments on the draft license on January 21, 2011, and discussed the comments during a public meeting with NRC staff. By letter dated March 7, 2011, NRC staff provided a meeting summary of the discussions in a letter to LCI (ML110320625). Based on staff's evaluation of LCI's comments, enclosed is a copy of the second draft of the proposed license.

This revised draft license incorporates written comments from the correspondence dated January 21, 2011, and verbal discussions during the January 27, 2011, public meeting. NRC staff made the following changes to the draft license:

- License Conditions 9.6, 9.7, 10.2, 10.10 (now 10.11), 12.6 and 12.9 were modified;
- License Conditions 10.3, 10.4, and 12.13 were deleted to eliminate redundancy; and
- License Conditions 10.8, 10.9, 10.15, and 10.16 were added to address storage pond inspections, effluent and environmental monitoring, radiological characterization of airborne samples, and restricted/controlled areas.

It should be noted that as the staff's review continues, this draft license is subject to change, and has not received formal legal review. In addition, transmitting this draft license does not constitute a licensing decision by the NRC.

Please review the draft license and provide comments within 14 days of receipt of this letter. Comments can be provided via letter, or email. The staff can also schedule a public meeting to discuss the draft license. Significant changes or deviations from the draft license may require additional staff review and may delay the final review schedule. As you are aware, the staff is developing a Safety Evaluation Report (SER) and Supplemental Environmental Impact Statement (SEIS) on the application. The enclosed draft license, which is preliminary in nature, must be finalized and accepted by both NRC and LCI prior to completion of the SER and SEIS.

If you have any questions concerning the above, please contact me at (301) 415-6142 or via email at Tanya.Oxenberg@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 document system (ADAMS). ADAMS is accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

/RA/

Tanya Palmateer Oxenberg, Ph.D.
Project Manager
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.: 04009068

Enclosure: Second Draft License

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Sincerely,

/RA/

Tanya Palmateer Oxenberg, Ph.D.
Project Manager
Uranium Recovery Licensing Branch
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Office of Federal and State Materials
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