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DATE 09/28/11 JOB NO 2009142.14 ATTENTION Mr. John Saxton RE Air Quality Permit Application TO Nuclear Regulatory Commission 11545 Rockville Pike, MS T-8F5 Rockville, MD 20852 WE ARE SENDING YOU __ the following items: Under separate cover via ☐ Shop drawings ☐ Prints ☐ Plans ☐ Samples □ Specifications ☐ Copy of letter ☐ Change order **COPIES** DATE NO. **DESCRIPTION** Wyoming Department of Environmental Quality/Division of Air 2 Quality Approval to Construct Letter- Air Quality Application THESE ARE TRANSMITTED as checked below: Resubmit copies for approval ☐ Approved as submitted ☐ For approval ☐ Approved as noted ☐ Submit _____ copies for distribution ☐ As requested ☐ Returned for corrections Return _____ corrected prints ☐ For review and comment ☐ FOR BIDS DUE ____ PRINTS RETURNED AFTER LOAN TO US Remarks: John, Enclosed is a copy of the WDEQ/AQD approval to construct the Ross ISR. Call me if you have questions.

LETTER OF TRANSMITTAL

Ben Schiffer



Department of Environmental Quality

To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.



John Corra, Director

September 13, 2011

Mr. Anthony J. Simpson Chief Operating Officer Strata Energy, Inc. P.O. Box 2318 Gillette, WY 82717

Permit No. CT-12198

Dear Mr. Simpson:

The Division of Air Quality of the Wyoming Department of Environmental Quality has completed final review of Strata Energy, Incorporated's application to construct the Ross ISR Project, which will utilize the in-situ recovery method to extract uranium and produce up to a maximum of three (3) million pounds per year of yellowcake (U₃O₈). The Ross ISR Project is located in Sections 7, 17, 18, and 19 of T53N, R67W and Sections 12, 13, and 24 of T53N, R68W, approximately one (1) mile southeast of Oshoto, in Crook County, Wyoming.

Following this agency's proposed approval of the request as published August 11, 2011 and in accordance with Chapter 6, Section 2(m) of the Wyoming Air Quality Standards and Regulations, the public was afforded a 30-day period in which to submit comments concerning the proposed new source, and an opportunity for a public hearing. No comments have been received. Therefore, on the basis of the information provided to us, approval to construct the Ross ISR Project as described in the application is hereby granted pursuant to Chapter 6, Section 2 of the regulations with the following conditions:

- 1. That authorized representatives of the Division of Air Quality be given permission to enter and inspect any property, premise or place on or at which an air pollution source is located or is being constructed or installed for the purpose of investigating actual or potential sources of air pollution and for determining compliance or non-compliance with any rules, standards, permits or orders.
- 2. That all substantive commitments and descriptions set forth in the application for this permit, unless superseded by a specific condition of this permit, are incorporated herein by this reference and are enforceable as conditions of this permit.
- 3. That a permit to operate in accordance with Chapter 6, Section 2(a)(iii) of the WAQSR is required after a 120-day start-up period in order to operate this facility.
- 4. That all notifications, reports and correspondences associated with this permit shall be submitted to the Stationary Source Compliance Program Manager, Air Quality Division, 122 West 25th Street, Cheyenne, WY 82002 and a copy shall be submitted to the District Engineer, Air Quality Division, 2100 West 5th Street, Sheridan, WY 82801.
- 5. That written notification of the anticipated date of initial start-up, in accordance with Chapter 6, Section 2(i) of the WAQSR, is required not more than 60 days or less than 30 days prior to such date. Notification of the actual date of startup is required within 15 days after startup.



- 6. That the date of commencement of construction shall be reported to the Administrator within 30 days of commencement. In accordance with Chapter 6, Section 2(h) of the WAQSR, approval to construct or modify shall become invalid if construction is not commenced within 24 months after receipt of such approval or if construction is discontinued for a period of 24 months or more. The Administrator may extend the period based on satisfactory justification of the requested extension.
- 7. Strata Energy, Inc. shall notify the Division of the engine type installed for the emergency generator within fifteen (15) days of installation. Such notification shall be submitted on a complete Engine Installation/Removal form. The form can be downloaded from the Air Quality website http://deq.state.wy.us/aqd or obtained from the Air Quality Division.
- The emergency generator engine shall be limited to 500 hours of operation per year. Strata Energy, Inc. shall install and maintain a non-resettable hour meter on the engine to demonstrate compliance with the hours limit in this condition. A record of hours of operation for the generator shall be maintained for a period of at least five (5) years and shall be made available to the Division upon request.
- 9. That for the emergency generator engine, installed under condition 7, Strata Energy, Inc. shall operate and maintain the engine, air pollution control equipment, and monitoring equipment according to good air pollution control practices at all times, including startup, shutdown, and malfunction. Records of any maintenance or corrective actions shall be kept and maintained and shall be made available to the Division upon request.
- 10. Strata Energy, Inc. shall maintain documentation that the emergency generator engine is Tier 3 certified.
- 11. Strata Energy, Inc. shall comply with the applicable requirements of 40 CFR part 60, subpart IIII for the emergency generator engine.
- 12. Strata Energy, Inc. shall comply with the applicable requirements of 40 CFR part 63, subpart ZZZZ for the emergency generator engine.
- 13. That acid emissions (HCl/H₂SO₄) from loading the acid storage tanks shall be controlled with an acid fume abatement system.
- 14. That the acid fume abatement system shall be maintained such that it remains a viable means of controlling acid emissions. A log of the maintenance activities and visual inspections, including addition of caustic (if necessary), shall be kept and made available to the Division upon request.
- 15. Radon emission control equipment, all vent lines, connections, fittings, valves, relief valves, hatches or any other appurtenance employed to contain and collect vapors, shall be maintained and operated during any time the facility is operating such that the radon emissions are controlled at all times, except for filter changes, resin transfer operations, and required maintenance activities. Records shall be maintained noting dates and durations of times during such operation when any control system or device or the associated containment and collection equipment is not functioning to control radon emissions as required by this permit.

- 16. That Strata Energy, Inc. shall treat the roads associated with the Ross ISR Project with water and/or chemical dust suppressants to control fugitive dust emissions, as depicted in Exhibit 1 Fugitive Dust Control Map contained within the permit application, on a schedule such that treatment remains a viable fugitive dust control measure.
 - i. Strata Energy, Inc. shall apply magnesium chloride to the following road sections once per year:
 - 1.1 miles of primary access and central processing plant area roads
 - 0.6 miles of the more frequently traveled wellfield access roads
 - 8.4 miles of county roads that fall within or adjacent to the permit area, including D road and the New Haven Road.

These roads are depicted in Exhibit 1 of the permit application. The chemical dust suppressant shall be maintained continuously to the extent that it remains a viable control measure, which may require additional applications.

- 17. That Strata Energy, Inc. shall be limited to three (3) million pounds of yellowcake (U₃O₈) per year. Records of yellowcake production shall be kept and maintained and shall be made available to the Division upon request.
- 18. That all records as required by this permit shall be maintained for a period of at least five years from the date such records are generated and the records shall be made available to the Division upon request.

It must be noted that this approval does not relieve you of your obligation to comply with all applicable county, state, and federal standards, regulations or ordinances. Special attention must be given to Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations, which details the requirements for compliance with conditions 3, 5, and 6. Any appeal of this permit as a final action of the Department must be made to the Environmental Quality Council within sixty (60) days of permit issuance per Section 16, Chapter I, General Rules of Practice and Procedure, Department of Environmental Quality.

If we may be of further assistance to you, please feel free to contact this office.

Sincerely,

Steven A. Dietrich Administrator

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Administrator
Air Quality Division

John V. Corra

Director

Dept. of Environmental Quality

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cc: Tanner Shatto