

February 13, 2012

Mr. Josh Leftwich
Director of Radiation Safety and Licensing
Cameco Resources
2020 Carey Ave., Suite 600
Cheyenne, WY 82001

SUBJECT: PLANS FOR NORTH BUTTE SATELLITE FACILITY
SMITH RANCH HIGHLAND URANIUM *IN SITU* RECOVERY FACILITY,
POWER RESOURCES INC., DOUGLAS, WYOMING, LICENSE SUA-1548

Dear Mr. Leftwich:

By letter dated October 12, 2011, Power Resources, Inc., (PRI), doing business as Cameco Resources, submitted to the U.S. Nuclear Regulatory Commission (NRC) staff, a letter containing its plans for work at the North Butte satellite through 2012. The North Butte satellite is part of the Smith Ranch Highland Uranium Project, which operates under license SUA-1548. The October 12, 2011, letter was submitted for informational purposes and did not request a formal review or approval by the NRC staff. Therefore, this letter provides NRC staff comments on Cameco's proposed activities.

The NRC staff understands that Cameco is planning to initiate activities at the North Butte satellite, including construction of access roads, installation of one deep disposal well, and construction of the satellite building. The NRC staff recognizes that North Butte is a licensed facility; however, minimal activities have occurred at the facility since it was licensed. As the North Butte facility has been licensed, the staff recommends that Cameco review the proposed activities using the Safety and Environmental Review Plan (SERP) process. When performing a SERP review, Cameco should comply with the requirements of condition 9.4 in license SUA-1548. Note that condition 9.4c requires that the licensee must obtain an amendment unless the proposed change, test, or experiment is consistent with "NRC conclusions, or the basis of, or analysis leading to, the conclusions of actions, designs, or design configurations analyzed and selected in the site of facility Safety Evaluation Report, TER, EIS, or EA." If the SERP process cannot reach that determination, a license amendment is required. The October 12, 2011, letter appears to compare the proposed activities to the contents of the original license application, but does not appear to compare the proposed activities to the documents supporting NRC's licensing action. The NRC's Safety Evaluation Report, dated December 21, 1990, is available in the ADAMS Legacy library under Accession Number 9101160239. The NRC's Environmental Assessment, dated December 21, 1990, is available in the ADAMS Legacy library under Accession Number 9101160252.

The NRC staff reviews changes made during the SERP process as part of its inspection program.

J. Leftwich

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If you have any questions, I can be reached at 301-415-0724, or by email at Douglas.Mandeville@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 the NRC's ADAMS. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

/RA/

Douglas T. Mandeville, 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.: 40-8964
License No.: SUA-1548

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Sincerely,

/RA/

Douglas T. Mandeville, Project Manager
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Office of Federal and State Materials
and Environmental Management Programs

Docket No.: 40-8964
License No.: SUA-1548

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