

June 27, 2012

Mr. Ralph Knode, Chief Executive Officer
Strata Energy, Inc.
1900 W. Warlow Dr. Bldg A
P.O. Box 2318
Gillette, WY 82717

SUBJECT: STATUS OF SECTION 106 COMPLIANCE FOR STRATA ENERGY, INC.
PROPOSED ROSS *IN-SITU* RECOVERY PROJECT, CROOK COUNTY,
WYOMING (DOCKET 040-09091)

Dear Mr. Knode:

The U.S. Nuclear Regulatory Commission (NRC) has received your letter, dated May 18, 2012, requesting responses to questions related to the NRC staff's review of impacts to cultural resources, as defined by Section 106 of the National Historic Preservation Act (NHPA) and by the National Environmental Policy Act (NEPA), from the proposed Ross *In-Situ* Recovery Project (Ross Project). Our response to each of your questions is provided in Enclosure 1 appended to this letter.

In your letter, you indicated that the Section 106 process for the proposed Ross Project had not officially begun until the August 19, 2011, letter to the Advisory Council on Historic Preservation (ACHP) was issued (Enclosure 2). Please note that the Section 106 process for the Ross Project began when the NRC's February 9, 2011, letter was sent to Tribal leaders to invite them to become consulting parties for the proposed Ross Project; this letter was used to officially initiate the Section 106 process (Enclosure 3). The main purpose of the August 19, 2011, letters to the ACHP and the Wyoming State Historic Preservation Office (WSHPO) (Enclosures 2 and 4) was to inform them of the NRC's intent to conduct the Section 106 process through the NEPA process.

After issuing the Section 106 consultation invitation letter to Tribal leaders in February 2011, the NRC staff followed-up with Native American tribes (Tribes) with ties to the Ross Project area via telephone and email to determine their interest in participating in the NRC's Section 106 process as consulting parties. The NRC staff provided the Tribes with information on the Ross Project, including copies of the Baseline Cultural and Paleontological Resource Survey report that was provided to the NRC by Strata as part of its license application; Strata is currently in the process of revising this Survey report for NRC review. Currently, there are 23 Tribes consulting in the Section 106 process for the Ross Project. In September 2011 and November 2011, the NRC staff, with support from Strata, conducted site visits to the Ross Project site, as well as consultation meetings, with Tribal representatives. During these consultation meetings and site visits, Tribal representatives indicated that a survey of the Ross Project site should be conducted by the Tribes in order to identify potentially eligible sites of religious and cultural significance. During the November 2011 site visit, Strata indicated that it would be willing to

support such a survey. The NRC subsequently requested that Strata provide a proposal for acquiring information on potentially eligible sites of religious and cultural significance to Tribes. Following the NRC staff's request that Strata provide a proposal, the NRC staff has been working with Strata, the Tribes, and other consulting parties to develop and implement a plan for conducting this survey.

We recognize the importance of conducting the Section 106 process in an efficient and effective manner. We also recognize the importance of respecting and maintaining the unique government-to-government relationship between the NRC and the Tribes. It is also important for the NRC staff to continue to make a "reasonable and good faith effort" to identify historic properties that are of religious and cultural significance to interested Tribes and to conduct other activities in accordance with Part 800 of Title 36 of the *Code of Federal Regulations*. The NRC staff has incorporated lessons learned from our past reviews, and continues to make improvements in our review process as we progress. We appreciate your feedback and suggestions on the review process.

In your letter, you requested that the NRC increase the amount of communication with all consulting parties. The NRC staff values the importance of effective communication. For example, the NRC staff has held periodic project-manager-to-project-manager teleconferences as well as public meetings with your staff. In addition, the NRC staff has held periodic face-to-face meetings and teleconferences with staff from the WSHPO, the ACHP, and the Bureau of Land Management (a Cooperating Agency on the NRC's NEPA and NHPA Section 106 reviews for the Ross Project). The purpose of these meetings has been to keep staff from these offices updated on the status of the uranium recovery projects, including the proposed Ross Project, currently being reviewed by the NRC staff, and to discuss emerging NHPA Section 106 issues. Additionally, the NRC provided a letter to the ACHP, dated January 31, 2012, which described the NRC staff's consultation efforts with Tribes for the Ross Project (Enclosure 5). To improve communication with consulting parties on all of our ongoing uranium recovery projects, we recently issued our first status update (in May 2012) on the NRC staff's NEPA and NHPA Section 106 activities to consulting parties (Enclosure 6). We intend to issue these updates periodically. These periodic updates include a list of key NEPA and Section 106 milestones for each of the uranium recovery projects currently being reviewed by the NRC staff, with the intent that this information will help the consulting parties plan their resources accordingly. Further, we plan to begin holding quarterly teleconferences between NRC staff management and Strata management to provide status updates and discuss issues related to the NRC staff's environmental and safety reviews.

If you have any further questions or comments, or need any additional information, please contact Ms. Johari Moore of my staff by telephone at 301-415-7694 or email at Johari.Moore@nrc.gov.

Sincerely,

/RA/

Kevin Hsueh, Chief
Environmental Review Branch
Environmental Protection
and Performance Assessment Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Enclosures:

1. NRC Responses to Strata's Requests for Clarification and Additional Questions
2. NRC Letter to the ACHP dated 08/19/11
3. NRC Invitation Letter for Section 106 Consultation dated 02/09/11
4. NRC letter to WSHPO dated 08/19/11
5. NRC letter to the ACHP dated 01/31/12
6. NRC Periodic NEPA and NHPA Status Update for Uranium Recovery Projects dated 05/23/12

cc: B. Schiffer, WWC
M. Butcher, PBC&SS
J. Bashor, BLM
A. Tratebas, BLM
Senator Mike Enzi
Senator John Barrasso
Representative Cynthia Lummis

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DATE	5/21/12	5/21/12	6/1/12	6/5/12	6/6/12	6/21/12	6/27/12