



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BLVD
ARLINGTON, TEXAS 76011-4511

August 2, 2013

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

**SUBJECT: NRC INSPECTION 040-09068/13-001 AND AUTHORIZATION TO BEGIN
IN-SITU RECOVERY OPERATIONS**

Dear Mr. Heili:

The U.S. Nuclear Regulatory Commission (NRC) conducted a preoperational team inspection at your Lost Creek in-situ recovery facility in Sweetwater County, Wyoming, during June 24-28 and July 29-30, 2013. Pursuant to License Condition 12.3 of Materials License SUA-1598, the purpose of the inspection was to confirm whether written operating procedures and approved radiation safety and environmental monitoring programs were in place, and to verify that preoperational testing was complete. The inspectors interviewed personnel, observed the facility, and comprehensively reviewed all operating procedures for compliance with the license application, license conditions, and applicable regulations.

The inspection team concluded that you have established programs that are protective of site workers, the public, and the environment. These programs include management oversight, plant operations, radiation protection, effluent and environmental monitoring, groundwater monitoring, radioactive materials transportation, radioactive waste handling, and emergency operations.

Based on the results of the preoperational inspection, the NRC staff has determined that the Lost Creek facility is ready for in-situ recovery operations with one exception. During the inspection, the NRC staff did not conduct a detailed review of your yellowcake dryer and support systems because this equipment was not fully installed and tested at the time of inspection. Lost Creek had previously informed the NRC of the status of the dryer and indicated that yellowcake drying would not start until a sufficient amount of yellowcake slurry had been produced. You stated that the dryer is expected to be installed by mid-August 2013. Because dryer operations have an impact on worker safety and the environment, you are not authorized to conduct dryer operations using uranium slurry until the NRC has conducted an inspection of the dryer and associated procedures, training, operational testing, and radiation safety.

Also during the inspection, the staff noted that you had not completed the construction of several other plant components including three chemical tanks and the groundwater restoration circuit. These components were not installed, in part, because of delivery delays. However, the inspection team noted that you had established operational procedures for these components. The NRC will review the operation of these various components during a future inspection.

In summary, you are authorized to commence with in-situ recovery operations including the wellfield injection and production circuits, ion exchange columns, elution and precipitation circuits, and water disposal pathways. As noted above, you are not authorized to dry the yellowcake slurry until the NRC has conducted an onsite review of this portion of the plant. The NRC staff will remain in contact with you to schedule this inspection to minimize any impacts on facility operations.

Future inspections will be established in accordance with the guidance provided in NRC Manual Chapter 2641, "In-Situ Leach Facilities Inspection Program." Be advised that future inspections may be unannounced to ensure that Lost Creek continues to operate its facility in accordance with regulatory and license requirements.

As noted earlier, the NRC conducted this team inspection, in part, to fulfill the requirements of License Condition 12.3. The results of the team inspection will be provided to you under separate correspondence at a later date.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and your response, if you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, information so that it can be made available to the Public without redaction.

Should you have any questions concerning this letter, please contact Ms. Linda Gersey, Health Physicist, at 817-200-1299, or Blair Spitzberg, Chief, at 817-200-1191.

Sincerely,

/RA/

D. Blair Spitzberg, Ph.D., Chief
Repository and Spent Fuel Safety Branch
Division of Nuclear Materials Safety

Docket Number: 040-09068
License Number: SUA-1598

cc: S. Ramsay, Wyoming Office of Homeland Security
C. Anderson, Wyoming Department of Environmental Quality
M. Rogaczewski, Wyoming Department of Environmental Quality

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ADAMS	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> SUNSI Review Complete	Reviewer Initials: LMG
<input checked="" type="checkbox"/> Publicly Available	<input type="checkbox"/> Non-publicly Available	<input type="checkbox"/> Sensitive	<input checked="" type="checkbox"/> Non-sensitive	
Category – KEYWORD				
RIV:DNMS/NMSBB	DNMS/RSFS	FSME:DURLD	C:DURLD:URB	C:RSFS
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08/02/2013	08/02/2013	08/02/2013	08/02/2013	08/02/2013