



June 1, 2015

U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555-0001

Re: **Strata Energy Ross In Situ Recovery Project**
Source Materials License SUA-1601, Docket No. 040-09091
Preoperational License Conditions 12.1, 12.3, and 12.6

To Whom It May Concern:

This submittal is intended to address the remaining preoperational License Conditions for Strata Energy, Inc. (Strata) under Materials License SUA-1601. Specifically this submittal addresses License Conditions 12.1, 12.3, and 12.6.

License Condition 12.1

License Condition 12.1 of SUA-1601 requires the following:

12.1 Prior to commencement of operations, the licensee shall obtain all necessary permits, licenses and approvals from the appropriate regulatory authorities. The licensee shall submit a copy of the permits it has obtained from other regulatory agencies for any effluent or waste disposal that includes treated or non-treated byproduct material, as well as documents clearly delineating the approved aquifer exemption areas and boundaries for the Class III UIC wells to the NRC.

Strata has received all necessary permits, licenses, and approvals with the exception of an approval of an aquifer exemption for the Class I disposal well that was drilled and constructed in February through May of this year. This well was drilled under Permit Number 10-263 issued by the Wyoming Department of Environmental Quality – Water Quality Division (WDEQ-WQD) dated April 13, 2011, allowing the construction and operation of up to five Class I wells at the Ross project. The well installed in early 2015 is designated Ross DW No. 2. Based on the total dissolved solids in the receiving formation an approval of an aquifer exemption by the USEPA Region 8 office is required. The request for that approval was

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submitted to EPA by the WDEQ-WQD on May 12, 2015. Strata expects that the aquifer exemption will be approved by the USEPA in the near future.

Please note that Strata has received another recent approval from Region 8 of the USEPA. On May 5, 2015 EPA Region 8 approved the construction of holding ponds for the Ross project. As required by License Condition 12.1, a copy of the approval letter is attached for reference. The full EPA approval is maintained on site for inspection.

Several other approvals have been received since NRC published NUREG-1910, Supplement 5, Environmental Impact Statement for the Ross ISR Project in Crook County, Wyoming, Supplement to the Generic Environmental Impact Statement for In-Situ Leach Uranium Milling Facilities in March 2014. These approvals (summarized in Table 1.2 of NUREG-1910) include:

- Issuance of a Permit to Construct a Domestic waste Water System issued by the WDEQ-WQD;
- Issuance of a Permit to Construct a Public Water Supply System issued by the WDEQ-WQD;

License Condition 12.3

License Condition 12.3 of SUA-1601 requires the following:

12.3 Prior to commencement of operations, the licensee shall identify the location, screen depth, and estimated pumping rate of any new water supply well or new use for an existing well within 2 km of a proposed wellfield area, as measured from the perimeter monitoring well ring, since the application was submitted to the NRC. The licensee shall evaluate the impact of ISR operations and recommend any additional monitoring or other measures to protect ground-water users. The evaluation shall be submitted to the NRC staff for review and verification at least 30 days prior to the expected commencement of operations.

Strata has reviewed public records maintained by the Wyoming State Engineer's Office (SEO) of wells installed in the vicinity of the Ross project. In the interval since the Ross license application was submitted the SEO database shows no new water supply wells installed within 2 kilometers of the perimeter well ring for Mine Unit 1. The SEO database only shows monitor, injection, and production wells installed by Strata in this area.

In addition to reviewing the SEO database, Strata has had a presence in the local area since the license application was submitted. Strata has not identified any water well drilling activities within the affected area during that period.

Finally, Strata has drilled a water supply well that is intended to serve as a source of drinking water to the Ross CPP. This well was installed under WDEQ-WQD Permit to Construct No. 14-012. The well

currently falls within the 2 kilometer radius of the Mine Unit 1 perimeter monitor well ring. However, the well has not provided the desired flowrate and Strata is currently considering alternatives, which may include drilling a new well at a different location. As required by License Condition 12.3, Strata will submit an update including the required information at least 30 days prior to the commencement of operations.

License Condition 12.6

License Condition 12.6 of SUA-1601 requires the following:

12.6 *The licensee shall not commence operations until the NRC performs a preoperational inspection to confirm, in part, that operating procedures and approved radiation safety and environmental monitoring programs are in place, and that preoperational testing is complete.*

The licensee should inform the NRC, at least 90 days prior to the expected commencement of operations, to allow for sufficient time for NRC to plan and perform the preoperational inspection.

Strata hereby requests that NRC schedule a preoperational inspection of the Ross Project in accordance with the schedule submitted during public meetings held on February 3, 2015.

Please contact me if you have any questions. You can reach me at (307) 686-4066 or mgriffin@stratawyo.com.

Sincerely,

Strata Energy, Inc.



Michael Griffin
Vice President of Permitting, Regulatory and Environmental Compliance

Cc: Mr. John Saxton, NRC Project Manager – **via email**



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

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MAY - 5 2015

Ref: 8P-AR

Mr. Michael Griffin
Strata Energy, Inc.
PO Box 2318
1900 Warlow Drive, Bldg. A
Gillette, Wyoming 82717

Re: Approval to Construct Ross In-Situ Recovery Uranium Project Holding Ponds for Uranium Byproduct Material in Crook County, Wyoming

Dear Mr. Griffin:

The U.S. Environmental Protection Agency is granting approval to Strata Energy, Inc. (Strata) in accordance with provisions of the Clean Air Act, as amended (42 U.S.C. § 7401 *et seq.*), to construct two holding ponds for the Ross In-Situ Recovery (ISR) Uranium Project in Crook County, Wyoming.

This approval is based on the Application that WWC Engineering submitted on November 4, 2014, on behalf of Strata, to the EPA pursuant to 40 CFR § 61.07, entitled "Design Report for the Ross ISR Project, Application for the Approval to Construct Lined Retention Ponds." The November 4, 2014 submittal is a revision to the original application submitted on May 12, 2013; both submittals along with supplementation information (including the January 19, 2015 document entitled "Response to RCRA Review of Ross ISR Project Application for Approval to Construct Lined Retention Ponds) submitted to EPA will collectively be considered the "Application."

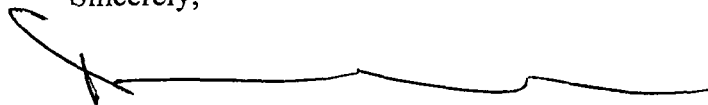
The EPA has determined that the holding ponds will be in compliance with 40 CFR § 192.32(a). Based on the information you provided to us, the EPA approves the construction of two holding ponds, as described in the Application. This Approval, which is enclosed, contains conditions to ensure that the ISR facility is in compliance with the National Emission Standards for Hazardous Air Pollutants, 40 CFR Part 61 Subparts A (General Provisions) and W (National Emission Standards for Radon Emissions from Operating Mill Tailings). Failure to comply with any condition or term set forth in this approval or in the regulations, or failure to meet this standard, will be considered grounds for enforcement action pursuant to Section 113 of the Clean Air Act.



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This Approval shall become effective immediately upon Strata's receipt of the original signed hard copy Approval to Construct. If you have any questions, or for further discussion, please contact Scott Jackson of my staff at (303) 312-6107 or jackson.scott@epa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Darcy O'Connor', with a long horizontal flourish extending to the right.

Darcy O'Connor
Acting Assistant Regional Administrator
Office of Partnerships and Regulatory Assistance

Enclosure: Ross In-Situ Recovery Uranium Project Approval to Construct, with Conditions

cc: Benjamin Schiffer, WCC Engineering
Tanner Shatto, Wyoming Department of Environmental Quality/Air Quality Division
Bill Maier, Nuclear Regulatory Commission