

July 23, 2015

Mr. Michael Griffin
Vice President of Permitting, Regulatory
and Environmental Compliance
Strata Energy, Inc.
PO Box 2318
Gillette, WY 82717-2318

SUBJECT: STAFF'S COMMENTS ON SUBMITTALS REGARDING LICENSE CONDITION
12.10, ROSS ISR PROJECT, CROOK COUNTY, WY, SOURCE MATERIAL
LICENSE SUA-1601, DOCKET NO. 040-09091, TAC J00735

Dear Mr. Griffin:

By letter dated March 5, 2015, Strata Energy, Inc. (Strata) submitted Revision 0 of its Quality Assurance Plan dated March 3, 2015, in accordance with preoperational license condition 12.10, which states:

At least 60 days prior to the preoperational inspection, the licensee will submit a completed Quality Assurance Plan (QAP) for NRC staff review and verification. The QAP will include the requirements in 10 CFR 20.1703(c)(4)(vii), and be consistent with guidance for a Quality Assurance Project Plan in Regulatory Guide 4.15 (as revised). The portion of the QAP fulfilling requirements of 10 CFR 20.1703(c)(4)(vii) may be included as a section or attachment in the applicable SOP(s).

By letter dated July 6, 2015, Strata provided supplemental information to address the requirements in 10 CFR 20.1703(c)(4)(vii) and Regulatory Position C.10., "Preventive and Corrective Actions," of Regulatory Guide 4.15, "Quality Assurance for Radiological Monitoring Programs (Inception Through Normal Operations to License Termination) – Effluents Streams and the Environment."

The NRC staff has completed its review of the information and provides the enclosed comments. Upon receipt of Strata's reply, the staff will complete the verification and notify Strata in writing.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure" 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 NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions regarding this action, please contact me at 301-415-0697 or by e-mail at john.saxton@nrc.gov.

Sincerely,

/RA/

John Saxton, Hydrogeologist
Uranium Recovery Licensing Branch
Division of Decommissioning, Uranium Recovery
and Waste Programs
Office of Nuclear Material Safety
and Safeguards

Docket No.: 040-09091
License No.: SUA-1601

Enclosure: Comments on Strata QAP and supplemental information

cc: D. Schellinger WDEQ

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**U.S. Nuclear Regulatory Commission
Comments on License Condition 12.10, Quality Assurance Plan
Strata Energy, Inc.
For Source Material License SUA-1601**

The purpose of the following items is to provide Strata Energy, Inc. (Strata) with comments on its proposed Quality Assurance Plan and supplemental information. Upon receipt of Strata's reply, including a revised QAP, the staff will complete the verification and notify Strata in writing.

Background

License Condition 12.10 states that:

At least 60 days prior to the preoperational inspection, the licensee will submit a completed Quality Assurance Plan (QAP) for NRC staff review and verification. The QAP will include the requirements in 10 CFR 20.1703(c)(4)(vii), and be consistent with guidance for a Quality Assurance Project Plan in Regulatory Guide 4.15 (as revised). The portion of the QAP fulfilling requirements of 10 CFR 20.1703(c)(4)(vii) may be included as a section or attachment in the applicable SOP(s).

In its submittal dated March 5, 2015 (Strata 2015a), Strata provided Revision 0 of its Quality Assurance Plan (QAP) in accordance with license condition (LC) 12.10. On July 1, 2015, NRC staff notified Strata that its proposed QAP addressed neither the requirements in 10 CFR 20.1703(c)(4)(vii) nor Regulatory Position C.10., "Preventive and Corrective Actions," of Regulatory Guide 4.15, "Quality Assurance for Radiological Monitoring Programs (Inception Through Normal Operations to License Termination) – Effluents Streams and the Environment." By letter dated July 6, 2015, Strata provided supplemental information to address the missing information (Strata 2015b).

QAP Comments

NRC staff's comments in this section refer to Strata's March 5, 2015, letter. The next section contains staff's comments on supplemental information received after March 5, 2015.

1. **Throughout**. The QAP refers the reader to several other Ross ISR Project program plans and implementing procedures for details on the implementation of quality control procedures. These plans and procedures include those for the radiation protection program, environmental management program, and training program. The staff requests that Strata provide the following information in support of the staff's preparation for the preoperational inspection in accordance with LC 12.6: a list of program plan documents and all implementing procedures for the radiation protection program, environmental management program, and training program. This list should include: 1) the plan or procedure document number; 2) plan or procedure title; 3) plan or procedure revision number; and 4) plan or procedure approval date. The staff requests that Strata also identify which procedures contain quality control procedures in accordance with the Strata's proposed QAP.
2. **Section B.3, Organizational Structure and Responsibilities**. The key positions identified in Section B.3 are inconsistent with the management organization described in Strata's Technical Report (Strata 2011a) and approved in Strata's license (NRC 2014). Please

Enclosure

revise the QAP to be consistent with the NRC-approved organization and explain the quality-related functions of the senior management positions described in the Technical Report, but not described in Revision 0 of the QAP.

3. Section D, Operating Procedures, Subsection D.1, Purpose. Strata stated that “Strata management shall determine which activities are associated with critical safety, health, and environmental activities.” [emphasis added] Consistent with the key positions described in QAP Section B.3, “Organization Structure and Responsibilities,” please clarify who is responsible for determining which activities are associated with critical safety, health, and environmental activities.
4. Section D, Operating Procedures, Subsection D.1, Purpose. In the second paragraph of Section D.1., Strata identifies two positions that are not identified in QAP Section B.3, “Organization Structure and Responsibilities,” or the NRC-approved Technical Report: (1) Safety Supervisor; and (2) Safety and Environmental Coordinator. Please revise the QAP to be consistent with the NRC-approved organization and clarify who must be involved in the drafting of procedures involving occupational health and safety risks, and who will review them.
5. Section F.1.3, Quality Assurance Audits and throughout, as noted.
 - In Section F.1.3, Strata stated “The audits will be reviewed by facility and corporate management.”
 - In Section J.2.1, Strata stated, regarding the Annual ALARA Audit, “The report is submitted to Strata management and report’s findings and their implications are discussed with all employees during annual radiation safety training.”
 - In Section J.3, “QA/QC Audit,” Strata stated, regarding the annual QA/QC audit report, “The report is submitted to management and the report’s findings and their implications should be discussed with all employees.”
 - In Section J.3.1.3, Monthly Report, Strata stated, “The RSO provides a detailed written monthly report to management as outlined in the RPP. The report is circulated to Strata senior management and all department heads and summarizes the month’s significant worker protection activities, including (...).”

Consistent with the key positions described in QAP Section B.3, “Organization Structure and Responsibilities,” please clarify who will review the audit reports and who is responsible to ensure that the findings of audit reports are addressed.

6. Section F.1.7, Direct Radiation Monitoring. Strata stated, “Functions checks [of survey instruments] will be performed using a properly selected and calibrated check source.” [emphasis added]. Please describe how check sources are properly selected.
7. Section F.2, Quality Control of Radiological Effluent and Environmental Monitoring Measurements. Strata did not address, in the proposed QAP, its proposed plan for effluent monitoring, as described in its March 1, 2015, letter regarding License Conditions 12.6, 12.7, and 12.8. Please describe the quality assurance plan provisions for measuring radon in water samples.
8. Section I.1, Validation and Verification for Accuracy and Completeness. Strata stated, “The RSO is principally responsible for the validation and verification of activities whose failure could have an impact on the environment, health, or safety. The Radiation Safety Officer

(RSO) or designee is responsible to review and initial logbooks, QC reports, and logs at least monthly for completeness and accuracy.” [emphasis added]. The phrase “or designee” is not clear and is not consistent with any position described in QAP Section B.3, “Organization Structure and Responsibilities.” Consistent with the key positions described in QAP Section B.3, please clarify which key position, if any, in addition to the RSO, may perform this QA function.

9. Section J.3.1, Routine Operational Inspections. In the second sentence, Strata stated that daily and weekly inspections and the monthly report are done by the RSO or designee. Please clarify that the designee may perform daily inspections in accordance with LC 9.7, but may not perform weekly inspections or prepare monthly reports.

Comments on supplemental information

By letter dated July 6, 2015 (Strata 2015b), and e-mail July 7, 2015 (Strata 2015c), Strata provided supplemental information on its QAP. The letter includes a new Section J. The previous Sections J through L in the March 2015 QAP are re-designated Section K through M.

10. Section J, Preventive and Corrective Actions. Strata proposed a new Section J for its QAP, but did not explain what it would do with the existing Section J, “Assessments, Audits, and Surveillances,” in Rev. 0 of its proposed QAP. Please clarify how the QAP will be reorganized.
11. Section J Preventive and Corrective Actions. Throughout this section, Strata uses the phrases, “appropriate personnel,” “appropriate management,” and “Management or appropriate personnel.” These designations are vague and undefined. Consistent with the key positions described in QAP Section B.3, “Organization Structure and Responsibilities,” please clarify which key positions are responsible for reviewing assessments, audits, inspections, and surveillance as part of the continuous improvement program, and to what senior key positions deficiencies and non-conformances are reported. Strata should also clarify what key position is responsible to correct problems identified under the QAP.

References

NRC (U.S. Nuclear Regulatory Commission). 2014. U.S. Nuclear Regulatory Commission Materials License No. SUA-1601. Washington, D.C. ADAMS Accession No. ML14069A335.

Strata (Strata Energy Inc.). 2011. Ross ISR Project USNRC License Application, Crook County, Wyoming, prepared by Strata Energy, Inc., Docket No. 040-09091. ADAMS Accession No. ML110120063, January 2011.

Strata (Strata Energy Inc.). 2015a. Letter from M. Griffin to NRC, dated March 5, 2015, regarding “Strata Energy Ross In Situ Recovery Project, Source Materials License SUA-1601, Docket No. 040-09091, Preoperational License Condition 12.10.” ADAMS Accession No. ML15076A045.

Strata (Strata Energy Inc.). 2015b. Letter from M. Griffin to J. Saxton (NRC), dated July 6, 2015, regarding “Strata Energy Ross In Situ Recovery Project, Source Materials License SUA-1601, Docket No. 040-09091, Supplemental Information for Preoperational License Condition 12.10.” ADAMS Accession No. ML15190A124.

Strata (Strata Energy Inc.). 2015c. E-mail from M. Griffin to J. Saxton (NRC), dated July 7, 2015, regarding "QAP Revisions" ADAMS Accession No. ML15190A167.