STRATA ENERGY INC

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October 9, 2015

U.S. Nuclear Regulatory Commission
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Re: Strata Energy, Inc. Ross In Situ Recovery Project
Source Materials License SUA-1601, Docket No. 040-09091
Response to License Condition 10.13 Critical Verification Issue for
Mine Unit 1 Wellfield Data Package

To Whom It May Concern:

On September 8, 2015, NRC staff issued a letter identifying two critical issues for verification of the Ross Mine Unit 1 (MU1) Wellfield Data Package. Following provides a summary of NRC staff's verification review comment regarding License Condition 10.13 followed by Strata's response. A response to the critical verification issue regarding License Condition 10.12 was provided under separate cover on October 5, 2015.

Critical Verification Issue #2 –

> ***"License Condition 10.13 states: 'The wellfield package will adequately define heterogeneities that may affect the chemical signature and ground-water flow paths within the ore zone as described in Sections 2.7.3.2.3, 3.1.1 and 5.7.8.1 of the approved license application.' ... Strata has not addressed the issue of whether or not the perimeter wells along the southern boundary of the wellfield are in contact with the overlying aquifer. If correct, then Strata did not adequately define whether or not the wells' ability to detect an excursion is diminished, whether or not the wells should be converted to partially penetrating wells, or whether or not an adequate thickness of the overlying confining unit exists in this area. Therefore, staff cannot verify that Strata met this license condition."***

Response: Strata has prepared additional evaluation that further defines heterogeneities that may affect the chemical signature and groundwater flow paths within the ore zone (OZ) in the vicinity of Mine Unit 1 (MU1) of the Ross ISR Project. This additional evaluation was conducted to support NRC staff's verification of compliance with License Condition 10.13 and applicable commitments in the approved license application with respect to the MU1 Wellfield Data Package. The evaluation is focused on potential communication pathways between the OZ interval and the overlying shallow monitor (SM) interval, and the ability of the current perimeter monitor (PM) well network to detect an excursion in a timely manner. Existing and

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newly developed hydrologic, geologic and water quality data from the OZ and SM intervals were used to demonstrate that groundwater conditions can be adequately and safely monitored during production and restoration of MU1. The evaluation included conducting and analyzing an SM aquifer test, detailed review of geophysical and well construction logs and generation of a geologic cross section, and comparison of water quality between the SM and PM monitor wells. Results of the evaluation are provided below.

As previously described in the MU1 Wellfield Data Package, several PM monitor wells located along the southern boundary of the MU1 wellfield have hydrostatic heads that appear anomalously high compared to other wells completed in the OZ interval. Strata conducted an aquifer test in September 2015 to assess whether the PM wells with the elevated hydrostatic heads are in hydraulic communication with the overlying SM interval. The test consisted of stressing the overlying (SM) interval and monitoring the potential response in the PM wells of concern and a number of additional wells. During the aquifer test, overlying monitor well MU1-SM10 was pumped at a rate of 7 gallons per minute for approximately 24 hours. Seven OZ perimeter wells (MU1-PM01, MU1-PM12, MU1-PM13, MU1-PM16, MU1-PM17, MU1-PM18 and MU1-PM19), six SM wells (MU1-SM02, MU1-SM04, MU1-SM10, MU1-SM11, MU1-SM12 and MU1-SM13) and the OZ baseline well closest to the pumping well (MU1-OZ22) were monitored prior to, during and after the aquifer test. Refer to Figure 1-3 in the MU1 Wellfield Data Package for the well locations. Table 1 summarizes the responses observed in each well during the aquifer test. The SM aquifer test demonstrated that:

1) All of the instrumented SM wells are in hydraulic communication with the pumped SM well.
2) MU1-OZ22 is not in hydraulic communication with the SM aquifer.
3) With the exception of monitor well MU1-PM19, and possibly MU1-PM12, the PM monitor wells are not in hydraulic communication with the SM aquifer.

Prior to conducting the aquifer test, the hydrostatic heads in the SM interval monitor wells were at least 15 feet higher than in any of the OZ perimeter monitor wells, with the exception of monitor wells MU1-PM12 and MU1-PM19 (Table 1). This further supports a lack of hydraulic communication between the OZ and SM intervals except in two localized, well-defined areas.

Strata has demonstrated through aquifer testing that only one PM well along the southern boundary (MU1-PM19) appears to be in hydraulic communication with the SM interval. Cross Section G-G' (Figure 1, attached) was developed to provide additional assessment of the geologic nature of the hydraulic communication between the OZ and SM intervals in the vicinity of MU1-PM19. The hydraulic response observed at MU1-PM19 to pumping in the SM aquifer is attributed to the fact that the intervening LC shale is thinner and siltier in this area compared to adjacent PM wells. The completion intervals for MU1-PM19 and the closest SM well (MU1-SM11) are fully penetrating in the two wells and vertically distinct, with over 20 feet of vertical separation between the top of the completion interval in MU1-PM19 and the bottom of the completion interval in MU1-SM11. Additional detailed geology can be seen on the geologic

Table 1. MU1 SM Aquifer Test Drawdown and Response Summary

Well ID	Well Type	Initial Water Level Elevation (ft amsl)	Maximum Drawdown (ft)	Radial Distance from Pumped Well (ft)
MU1-PM01	Perimeter/Observation	4056.5	No Response	850
MU1-PM12	Perimeter/Observation	4089.9	Less than 0.1	1,198
MU1-PM13	Perimeter/Observation	4066.0	No Response	1,688
MU1-PM16	Perimeter/Observation	4058.0	No Response	639
MU1-PM17	Perimeter/Observation	4072.2	No Response	515
MU1-PM18	Perimeter/Observation	4069.3	No Response	437
MU1-PM19	Perimeter/Observation	4077.4	1.4	631
MU1-OZ22	Production/Observation	4057.7	No Response	131
MU1-SM02	Shallow/Observation	4090.7	3.4	383
MU1-SM04	Shallow/Observation	4093.5	2.2	922
MU1-SM10	Shallow/Pumping	4093.2	93	0
MU1-SM11	Shallow/Observation	4092.1	7.5	473
MU1-SM12*	Shallow/Observation	4095.0	0.39	707
MU1-SM13*	Shallow/Observation	4092.4	8.48	330

* Note: the coordinates of MU1-SM12 and MU1-SM13 were inadvertently switched in Attachment 3, Table 1 of the MU1 Wellfield Data Package.

cross sections in Attachment 1 of the MU1 Wellfield Data Package, including the geophysical logs and completion intervals for the two PM wells closest to MU1-PM19 (MU1-PM01 and MU1-PM18) and most of the other PM wells. Specifically, the MU1-PM01 and MU1-PM18 geophysical logs show that the LC shale is over 20 feet thick, compared to less than 10 feet in MU1-PM19. The MU1-PM01 geophysical log also indicates approximately 15 feet of sand above the W shale, compared to over 50 feet in MU1-PM19. The LC shale isopach that is included as Attachment 1, Figure 9 of the MU1 Wellfield Data Package clearly illustrates the general thinning of the LC shale in the vicinity of MU1-PM19.

The fact that the observed response at MU1-PM19 during the SM aquifer test was muted compared to the response at MU1-SM11 (the SM well closest to MU1-PM19) demonstrates that the hydraulic conductivity across the LC shale is lower than that within the SM interval above the LC shale. Specifically, the response measured in MU1-SM11 (located 473 feet west/northwest of the pumping well) was 7.5 feet, while the response measured at MU1-PM19 (located 631 feet west/southwest of the pumping well) was 1.4 feet. The distances between the pumping well and MU1-SM11 and MU1-PM19 are of a similar magnitude (the distance to MU1-SM11 is 75% of that to MU1-PM19) and the wells are located in the same general direction from the pumping well. Therefore, if both wells were completed in the same interval a similar response, albeit slightly muted because of the longer distance to MU1-PM19, would have been expected at both wells. However, the response at MU1-PM19 was muted to a much greater degree than can be explained by the additional distance from the pumping well, which demonstrates that the LC shale between MU1-PM19 and the pumping well limits vertical hydraulic communication. Moreover, the fact that the water level in MU1-PM19 is significantly lower than that in the nearest SM wells further demonstrates that the LC shale limits hydraulic communication between the OZ and SM intervals and that MU1-PM19 is not completed in the SM interval. Since no responses were observed in either MU1-PM01 or MU1-PM18, the limited hydraulic connection across the LC shale is highly localized to the immediate vicinity of MU1-PM19. This conclusion is further supported by the fact that in Strata's review of geophysical logs/geologic cross sections in the vicinity, it was determined that the LC shale is present in all of the logs. In the southwestern portion of MU1, where the LC shale is thinnest across MU1, there is still a distinct shale interval, and no geophysical logs in the area have shown the LC shale to be less than 7 feet. Please note that page 7 of the MU1 Wellfield Data Package described the thickness of the LC shale as ranging from 10 to 60 feet within MU1. This is an approximate range, while Attachment 1, Figure 9 of the MU1 Wellfield Data Package shows that the more specific range as measured from geophysical logs is 7 to 51 feet. Importantly, the thickness is greater than 10 feet across the vast majority of MU1.

During the SM aquifer test a slight response (<0.10 foot) was observed in MU1-PM12, which is located on the southeastern boundary of MU1. The response was minor when compared to the response in MU1-PM12 to pumping in an OZ well during the second aquifer test. Strata has reviewed the MU1-PM12 well completion and geophysical log (included in Cross Section D-D' in Attachment 1 of the MU1 Wellfield Data Package) and determined that, like MU1-PM19, the LC shale interval in MU1-PM12 is siltier than in the adjacent PM wells. This well and the nearest SM well (MU1-SM12) are appropriately completed, with in excess of 50 feet of vertical separation between the two completion intervals. As noted in the MU1 Wellfield Data Package, communication between the OZ and SM intervals was observed at MU1-SM12 during the second OZ aquifer test. Strata previously committed to installing a pressure transducer in MU1-SM12 to continuously monitor water levels in the well in order to provide early detection in the event of a vertical excursion into the SM interval in this vicinity. This mitigation measure is still appropriate and will ensure that the risk to the SM water quality is very low.

Due to the response observed in MU1-PM19 and the slight response observed in MU1-PM12 during the SM aquifer test, Strata commits to installing pressure transducers in MU1-PM19 and MU1-PM12 to continuously monitor water levels in these wells in order to provide early detection in the event of a horizontal excursion at these locations. In addition, Strata will also install a pressure transducer in MU1-SM11 to provide early detection in the event of a vertical excursion into the SM interval in this vicinity. In addition to the semimonthly sampling during operational excursion monitoring, Strata will download and evaluate water level data on a weekly basis when operations in that module area begin. In the event water level trends measured in the instrumented wells demonstrate the potential for either a vertical or horizontal migration, operational adjustments will be made to limit the potential for an excursion.

Although Strata recognizes and acknowledges that there is some degree of hydraulic communication between the OZ and SM intervals in the vicinity of well MU1-PM19 based on the SM aquifer test response, additional evidence indicates that interaction between these hydrostratigraphic units is generally limited. As previously indicated (Table 1), hydrostatic heads in MU1-PM19 are over 15 feet lower than those in the nearby SM monitor wells. Furthermore, pre-operational water quality sampling results provided in the MU1 Wellfield Data Package also suggest hydraulic separation of the SM and OZ intervals in the vicinity of MU1-PM19. Water quality in MU1-PM19 is compared with the other PM wells and with water quality of the SM monitor wells in order to evaluate potential communication between the SM and OZ aquifers at this location. The comparisons for major ions are shown in Figure 2 through 4 and summarized as follows:

- Figure 2 compares the major ion water chemistry in MU1-PM19 with that in the remaining PM wells and all of the SM wells using average concentrations. This figure shows that the major ion chemistry in MU1-PM19 is virtually indistinguishable from that in the remaining PM wells. This demonstrates that the water quality in MU1-PM19 is consistent with and representative of the water quality in the PM monitoring interval within MU1.
- Regarding the SM interval, Figure 2 shows that the major ion chemistry at MU1-PM19 is clearly distinct from that in the SM interval within MU1. The relative proportion of sulfate is significantly lower and the relative proportion of bicarbonate/carbonate is significantly higher in the SM interval compared to MU1-PM19 and the other PM wells. These differences in water quality provide evidence of hydraulic separation between the SM and OZ aquifers within MU1 generally and specifically at MU1-PM19.
- Figure 3 compares the average major ion chemistry in MU1-PM19 with the average in each of the other PM wells. It shows that the water chemistry in MU1-PM19 is not only consistent with that in the other PM wells, but it is approximately in the middle of the range of all major ions.
- Figure 4 compares the average major ion chemistry in MU1-PM19 with the average in each of the SM wells. It shows that the proportion of major anions in MU1-PM19 is distinct from all SM wells, particularly with respect to the relative proportions of sulfate and bicarbonate/carbonate.

With the additional data from the SM aquifer test, detailed analysis of site geology, and comparison of water quality between well data sets, Strata has further defined the heterogeneity of the hydrologic system within MU1 as required by License Condition 10.13.

Figure 2. Trilinear Diagram Comparing MU1-PM19 Major Ion Chemistry with Average of Other PM Wells and SM Wells

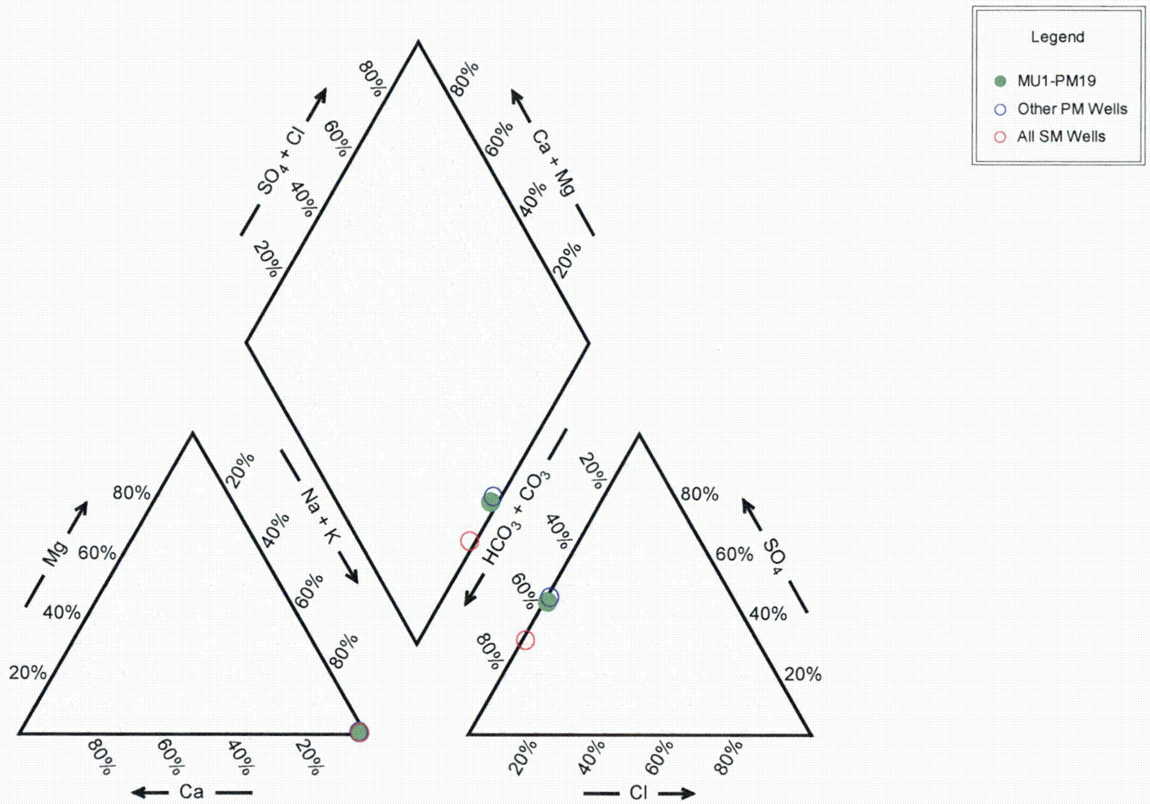


Figure 3. Trilinear Diagram Comparing MU1-PM19 Major Ion Chemistry with Each PM Well

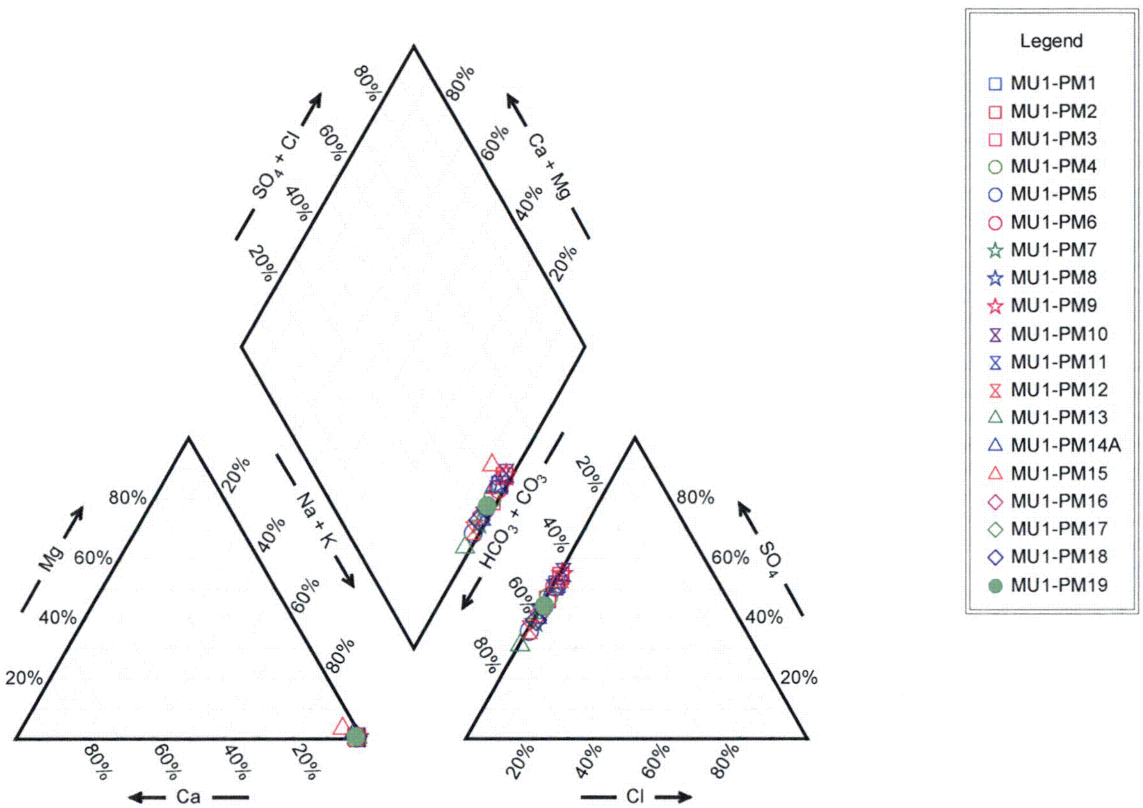
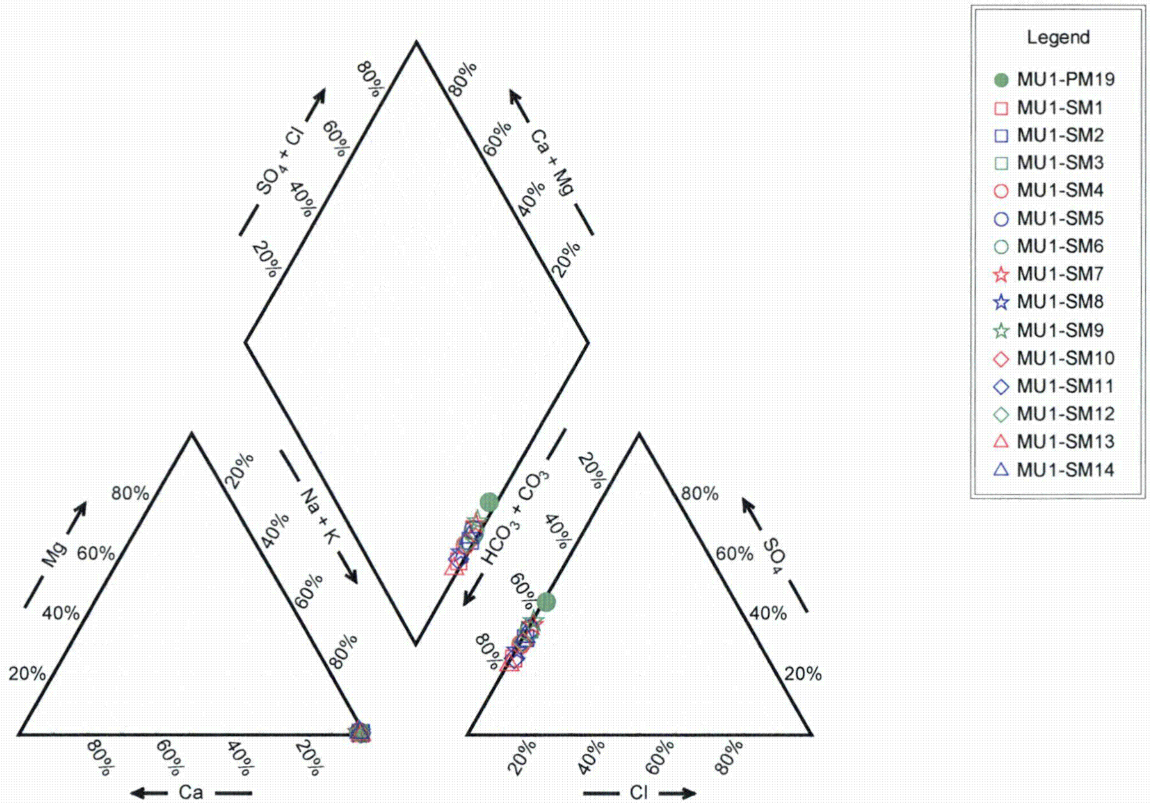


Figure 4. Trilinear Diagram Comparing MU1-PM19 Major Ion Chemistry with Each SM Well



Information regarding heterogeneities (or lack thereof) and key observations that may affect chemical signature and groundwater flow paths within MU1 are summarized below:

- DM interval
  - The DM interval is not an aquifer. Calculated yields from DM wells are typically less than 0.1 gpm, and water level recovery takes months following sampling.
  - No hydraulic connection between the DM interval and OZ aquifer has been observed in the aquifer tests.
  - The groundwater quality in the DM interval exhibits significantly greater heterogeneity than the OZ, PM or SM monitoring intervals. This is demonstrated in Attachment 7 of the MU1 Wellfield Data Package, which shows a greater range in constituent concentrations in the DM interval compared to other intervals. It is also demonstrated in Attachment 13 of the MU1 Wellfield Data Package, which shows relatively higher standard deviations for the excursion parameters in the DM interval compared to other intervals.
- OZ aquifer
  - Aquifer tests have demonstrated that within the southeastern portion of MU1 there is a low permeability area that has a significantly lower hydraulic conductivity than the remainder of the wellfield outside of the low permeability area.
  - Outside of the low permeability area, the OZ aquifer is relatively homogeneous. The measured hydraulic aquifer parameters at all of the perimeter wells southeast of the low permeability area are similar, as shown in Attachment 5, Table 8 of the MU1 Wellfield Data Package. Likewise, the measured hydraulic aquifer parameters throughout the portion of the wellfield northwest of the low permeability area are also similar, as shown in Attachment 5, Table 7 of the MU1 Wellfield Data Package
  - Within the OZ aquifer, an intervening shale (the W shale) has been identified in the geophysical logs throughout most of MU1 (see the geologic cross sections provided in Attachment 1 of the MU1 Wellfield Data Package, which identify the W shale; see also the description of the W shale throughout Attachment 6 of the MU1 Wellfield Data Package). Most of the uranium recovery will occur below the W shale.
  - The sands above the W shale thicken and thin throughout MU1 and are very thin in some places, such as at MU1-PM01 (refer to geophysical log for MU1-PM01 in Cross Section D-D'). In other places, such as at MU1-DM01, the sediments above the W shale are thicker, but very little sand is present between the W shale and LC shale (refer to geophysical log for MU1-DM01 in Cross Section C-C').
  - Water levels are locally elevated in six of the PM wells along the southern and southeastern boundaries of MU1. This is attributed to the contribution from the sands above the W shale and below the upper confining interval (LC shale), as local variations in these sands combined with the low permeability area result in unique hydrostatic conditions.

  - With the exception of two PM wells (MU1-PM19 and MU1-PM12), all of the PM and OZ wells have been shown through aquifer testing to be hydraulically isolated from the SM interval.
  - The MU1 pre-operational sampling results demonstrate a lack of heterogeneity in the chemical signature of groundwater within the OZ aquifer. This lack of heterogeneity is demonstrated by the data distribution and lack of outliers in the OZ sampling results. Attachment 12, Table 1 of the MU1 Wellfield Data Package shows that most of the OZ aquifer constituents that could be evaluated for data distribution (i.e., those with a sufficient number of detectable concentrations) were adequately described by a normal distribution (19 of 35 parameters or 68 percent). There also were relatively few outliers in the OZ well sampling results. Attachment 9, Table 1 of the MU1 Wellfield Data Package shows that the frequency of outliers in the OZ aquifer sampling results was approximately the same as that in the PM wells and significantly lower than that in the SM and DM intervals. This demonstrates that based on outlier frequency there is similar or less heterogeneity in the OZ aquifer compared to the other monitoring intervals.
  - The MU1 pre-operational sampling results also demonstrate a lack of heterogeneity in the chemical signature of groundwater associated with a hydraulically isolated well. This is demonstrated by comparing the pre-operational sampling results from MU1-OZ23, which lies across the low permeability area, from the results from the remaining OZ wells. Attachment 7, Table 1 of the MU1 Wellfield Data Package shows that there were no outliers identified in any of the sample results from MU1-OZ23, which indicates a lack of statistical evidence that the water quality in this well is different from that in the remaining OZ aquifer within MU1. The MU1-OZ23 sampling results generally were within the range of constituent concentrations for the remaining OZ wells, which further establishes a lack of heterogeneity in the chemical signature of groundwater.
- The SM interval
  - The SM interval is separated from the OZ aquifer by the LC shale, which is continuous throughout MU1 and ranges in thickness from 7 to 51 feet.
  - Aquifer testing has demonstrated that the SM interval is hydraulically isolated from the OZ interval except in specific areas, including in the vicinity of MU1-PM19 and in the area between MU1-OZ23 and MU1-PM12.

The operational risk to the SM aquifer due to the limited vertical hydraulic communication between the SM and OZ aquifers in the immediate vicinity of well MU1-PM19 is very low because the portion of the OZ aquifer targeted for uranium recovery in this vicinity lies below the W shale. As shown on Figure 1, uranium mineralization targeted for uranium recovery in this area is in excess of 35 vertical feet below the W shale at MU1-OZ24 and in excess of 100 feet below the W shale at MU1-OZ19. Therefore, in addition to the LC shale, the W shale also provides hydraulic separation between the production zone and the SM aquifer. Based on an analysis of the geologic cross sections, the W shale is continuous across the southern portion of MU1. The lack of any response during the SM aquifer test at MU1-OZ22, which is completed only 15 feet below the W shale, further demonstrates the confining properties of the W shale and that the production zone is hydraulically isolated from the SM aquifer.

NRC staff has questioned whether or not the southern PM wells are completed across the appropriate interval and whether they should be converted to partially penetrating wells. Strata has determined that the wells are appropriately completed in accordance with the commitments in its approved license application and to ensure that they will be able to detect a potential horizontal excursion. As noted above, Strata has determined through evaluation of geophysical logs that the W shale is continuous throughout a large portion of MU1. However, the W shale is not regionally extensive, nor has its integrity been evaluated through aquifer tests. Therefore, it was (and is) appropriate to complete the PM wells across the entire OZ interval (including the sands above the W shale). This action is also consistent with License Condition 10.13 and Strata's commitment in Section 3.1.6 of the approved license application to install fully penetrating PM wells.

All of the PM wells are completed in such a fashion that they will be able to detect an excursion within the OZ aquifer, whether it originates above or below the W shale. With the exception of MU1-PM19 and, to a much lesser extent MU1-PM12, all of the southern and southeastern PM wells are hydraulically isolated from the SM interval. Therefore, in the event of a horizontal excursion these wells would only see water contributions from the OZ interval. In the case of MU1-PM19, the first aquifer test (which pumped well MU1-OZ02) demonstrated that the well is in hydraulic communication with the OZ wells. Even though the water level in MU1-PM19 was trending upward prior to the test, a drawdown in the well (which was located 1,917 feet from the pumping well) was measured after only 1.9 days of stress. By the time pumping ceased after 3.16 days, approximately 2 feet of drawdown was observed in MU1-PM19. This clearly demonstrates that MU1-PM19 is in hydraulic communication with the OZ wells. As noted previously, the aquifer tests have demonstrated that while MU1-PM19 exhibits minor hydraulic communication with the SM aquifer, the communication is limited in magnitude by the LC shale and limited in area to the immediate vicinity of MU1-PM19. In addition, Cross Section G-G' (Figure 1) demonstrates that MU1-PM19 is completed within the OZ aquifer and not in the SM aquifer. Therefore, the completion interval in MU1-PM19 is appropriate and in accordance with the commitments in Strata's approved license application. As importantly, the well will function as designed to detect a potential horizontal excursion from the wellfield pattern area in a timely manner. In addition, Strata's commitment to install pressure transducers and continuously monitor water levels in these wells will help ensure timely detection of a potential excursion at MU1-PM19 or MU1-PM12.

The second OZ aquifer test (that pumped MU1-OZ23) demonstrated that all of the PM wells in the southeastern portion of MU1 are in hydraulic communication with the portion of the OZ aquifer southeast of the low permeability area. The PM wells fully penetrate the OZ aquifer, which is consistent with the commitments in Strata's approved license application and appropriate for detection of potential horizontal excursions. Although MU1-PM12 showed a negligible response during the SM aquifer test, the second OZ aquifer test clearly demonstrated that this well is in hydraulic communication with the OZ aquifer and is therefore suitable for its purpose of detecting a potential horizontal excursion. Well MU1-PM12 responded within only 1 hour of induced stress in the OZ aquifer and exhibited a maximum drawdown of nearly 3 feet. As previously described, Strata has verified that MU1-PM12 is appropriately screened as a fully penetrating well in the OZ aquifer.

In the case of both the southern and southeastern PM wells, the most likely horizontal excursion scenario (if it were to occur) is as follows:

1) Within the southeastern portion of the MU1 wellfield, the ISR injection and production wells will be completed in the portion of the OZ aquifer below the W shale.
2) In the event that a wellfield imbalance causes ISR fluids to migrate away from the wellfield pattern area, the fluids will be contained vertically by the W shale and migrate horizontally to the PM wells, where an increase in the concentration of the indicator parameters will be detected.
3) Regardless of whether the W shale acts as a local confining unit, the fluids will be contained by the overlying LC shale, which has been demonstrated to be laterally continuous throughout MU1 and to limit hydraulic communication between the OZ and SM aquifers even in the vicinity of MU1-PM19. In the event that the W shale does not confine a potential horizontal excursion, the excursion will still be detected by the fully penetrating PM wells, which are open to sands above and below the W shale.

Based on this evaluation of a likely excursion scenario, recompleting the PM wells as partially penetrating wells confined to the portion of the OZ aquifer below the W shale could increase the risk of an excursion being undetected, since it has not been determined that the W shale is an effective hydraulic barrier throughout MU1. Moreover, it would be contrary to the commitments in Strata's approved license application. Therefore, Strata has determined that it would not be appropriate to recomplete any of the PM wells as partially penetrating wells.

In response to NRC staff's concerns, Strata has prepared a detailed evaluation of the hydrogeologic conditions in the vicinity of the PM wells where anomalously high hydrostatic heads (relative to the OZ interval) were measured. Strata concludes that higher water levels observed in several of the PM wells are primarily the result of the higher quality and increased thickness of sand above the W shale in the southern and southeastern portion of MU1. Correspondingly, the quality and thickness of the W shale may also be a contributing factor to localized increased hydrostatic heads. Each of the PM wells are fully penetrating through the OZ interval and completed above and below the W shale interval. Water quality in monitor well MU1-PM19 is consistent with and representative of the water quality in the PM monitoring interval within MU1 and clearly distinct from the SM water quality. Along the southern and southeastern boundary of the wellfield, the changes in quality and thickness of the sand above the W shale and the shale itself cause a localized elevated water level in the upper portions of the OZ interval. PM wells along the southern boundary of MU1 with a higher quality of sand above the W shale generally have a higher water level than the PM wells with a lower quality of sand above the W shale.

In conclusion, with the additional aquifer testing and data presented with this response, Strata has thoroughly characterized the heterogeneities that may affect the chemical signature and groundwater flow paths within MU1 as required by License Condition 10.13 and in accordance with the commitments in the approved license application. Key findings include the following:

- The SM aquifer testing has demonstrated that, except for MU1-PM19 and, to a much lesser extent MU1-PM12, the PM wells in this area are not in hydraulic communication with the overlying SM interval.
- The SM and OZ aquifer testing demonstrated than the SM interval is not in hydraulic communication with the production wells.
- Through additional evaluation of the geophysical logs and geologic cross sections, Strata has determined that the LC shale separating the SM interval from the OZ interval is continuous across the entire mine unit.
- Water quality data from MU1-PM19 are consistent and representative of the OZ interval and not the SM interval.
- The PM wells with anomalously high hydrostatic heads for the OZ interval are still generally more than 15 feet lower than the hydrostatic heads in nearby SM monitor wells.
- At the PM wells where hydraulic communication with the SM aquifer was observed, Strata has determined the wells are appropriately completed as fully penetrating wells across the OZ interval and will detect a horizontal excursion in a timely manner. Strata's additional commitments to install pressure transducers and continuously monitor water levels in MU1-PM12, MU1-PM19 and MU1-SM11 will help ensure that a potential excursion is detected in a timely manner.
- The fully penetrating wells will allow Strata to detect an excursion should it occur anywhere within the OZ interval and are in accordance with SUA-1601 and commitments in the approved license application.

Please contact me if you have any questions. You can reach me at (307) 467-5995 or mgriffin@stratawyo.com.

Sincerely,
Strata Energy, Inc.

Michael Griffin
Vice President of Permitting, Regulatory and Environmental Compliance
Enclosures: Figure 1. Geologic Cross Section G-G'

cc: John Saxton, NRC Project Manager (*by email*)