

January 14, 2016

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

SUBJECT: ACCEPTANCE OF THE KENDRICK LICENSE AMENDMENT APPLICATION FOR
DETAILED REVIEW, STRATA ENERGY, INC.'S SOURCE AND BYPRODUCT
MATERIALS LICENSE SUA-1601, CROOK COUNTY, WYOMING
(TAC NOS. L00781, L00897, L00901)

Dear Mr. Griffin:

By letter dated March 20, 2015, Strata Energy, Inc. (Strata) submitted to the U.S. Nuclear Regulatory Commission (NRC) a request to amend License SUA-1601 to include the Kendrick Expansion Area at the Ross *In-Situ* Recovery (ISR) Project in Crook County, Wyoming (NRC's Agencywide Documents Access and Management System (ADAMS) Accession No. ML15096A141). By letter dated April 24, 2015, Strata supplemented their amendment request (ML15152A154). The NRC staff initiated its administrative acceptance review of the amendment request on September 30, 2015. The NRC staff has reviewed the license amendment application and supplemental information and determined that the application is administratively acceptable for detailed technical and environmental review.

Pursuant to part 2 of title 10 of the *Code of Federal Regulations* (10 CFR Part 2), Subparts A and C, a Notice of Opportunity to Request a Hearing and to petition for leave to intervene regarding the Kendrick Expansion Area Project will be published in the *Federal Register* specifying a 60-day request period, starting from the date of publication of the notice. In addition, the Kendrick license amendment request will be listed for the same 60-day period under the heading, "*Opportunities to Request a Hearing or Petition to Intervene*" on the NRC's Public Web site at the following web address: <http://www.nrc.gov/about-nrc/regulatory/adjudicatory/hearing-license-applications.html#2>.

Safety Review

Please be advised that due to limited resources, staff did not perform a thorough administrative review of the health physics subject matter in the amendment request. It is anticipated that any deficiencies will be addressed during the initial stages of the detailed review.

Four additional amendment requests are pending before the NRC at this time to modify several license conditions in Strata's License SUA-1601. While a decision on each of those requests has not been reached, in all likelihood, the NRC actions on those requests will be completed prior to finalizing the action on the Kendrick amendment request. Staff will proceed on the Kendrick review using the license conditions both as currently existing and as requested during the interim.

Environmental Review

The NRC staff will conduct a National Environmental Policy Act (NEPA) review as well as a Section 106 consultation under the National Historic Preservation Act (NHPA). Currently, the staff intends to use the NEPA process to fulfill its NHPA Section 106 obligations. As was done in the Ross review, in a subsequent letter, staff may request Strata provide NRC with black and white versions of several figures and possibly references used in the Kendrick Environmental Report to facilitate the environmental review.

In July 2015, the NRC staff initiated the Section 106 consultation by reaching out to several interested parties including 26 tribes, Bureau of Land Management, National Park Service – Devils Tower, Advisory Council on Historic Preservation, and Wyoming State Historic Preservation Office. As the Section 106 consultation continues, the NRC will update its public webpage to document the status of the consultation. See <http://www.nrc.gov/materials/uranium-recovery/license-apps/kendrick/kendrick-section-106.html>.

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, please contact me at John.Saxton@nrc.gov or (301) 415-0697. If you have questions or concerns about the environmental review, please contact Jessie Muir Quintero at Jessie.Muir-Quintero@nrc.gov or (301) 415-7476.

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

cc:
David Schellinger (WDEQ)
Richard Miller (BLM)

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Docket No.: 040-09091

License No.: SUA-1601

cc: David Schellinger (WDEQ)
 Richard Miller (BLM)

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ADAMS Accession No.:

ML15362A613

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DATE	12/29/15	12/29/15	12/29/15	01/13/16	01/14/16

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