



December 30, 2015

Attention: Document Control Desk
Director, Office of Federal and State Materials and Environment Management Programs
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

**RE: Strata Energy, Inc., Ross In-Situ Recovery Project
Source Materials License SUA-1601, Docket No. 040-09091
Submission of Annual Report Required Under Programmatic Agreement**

Dear Director:

Attached please find the subject report required under Stipulation H of the Programmatic Agreement for the Ross ISR Project. Upon NRC acceptance, Strata will provide this annual report to the Signatories and the Ross Project Consulting Tribes.

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

Sincerely,
Strata Energy, Inc.

A handwritten signature in black ink, appearing to read "M. Griffin", written over a faint circular stamp.

Michael Griffin
Vice President of Permitting, Regulatory and Environmental Compliance
Enclosures: As Noted

cc: Deputy Director, Decommissioning and Uranium Recovery Licensing Directorate
Division of Waste Management and Environment Protection
Office of Federal and State Materials and Environmental Management Programs
U.S. Nuclear Regulatory Commission
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**ROSS IN SITU URANIUM RECOVERY PROJECT
Cultural Resource Management
Annual Report and Evaluation
Implementation of the Programmatic Agreement**

**Legacy Consulting Services
Butte, Montana**

for

**Strata Energy, Inc.
December 30, 2015, Revised January 8, 2016**

I. Introduction

The Programmatic Agreement (PA) for Nuclear Regulatory Commission (NRC) compliance with Section 106 of the National Historic Preservation Act was completed in April of 2014. Stipulation H.1. of the PA requires submission of an annual report on implementation of the PA by Strata to the NRC. The following is the report for calendar year 2015.

II. Stipulation B. CONTINUING DETERMINATIONS OF ELIGIBILITY

Stipulation B.1.a. states the following:

Strata shall complete recordation of 48CK2087, 48CK2229, 48CK2230, and 48CK2231 (see Table 1-A of Appendix B) and prepare a report on this inventory to be submitted to the NRC.

At the request of the NRC, Strata sponsored this work during preparation of the Additional Testing Plan (Plan). GCM Services completed this recording and the evaluation of these properties in April of 2015 and prepared recording forms as required by the Wyoming SHPO (WY-SHPO) for each of the properties as the report called for in this stipulation. The work identified that 48CK2087 (identified as a TCP by the Keeper of the National Register of Historic Places eligible under NRHP criterion a) does not include archaeological elements eligible under NRHP criterion d. Property 48CK2229 was recommended as ineligible for NRHP listing by GCM, as a result of previous disturbance and other factors. Property 48CK2230 was recommended by GCM as requiring further testing to determine eligibility. However, it has been identified by Strata for avoidance of effects and is outside of the Phase 1 boundary so that no testing is proposed at present. Finally, Property 48CK2231 was recorded as an Isolated Find and recommended by GCM as not eligible for NRHP listing. The forms and recommendations have been provided to the WY-SHPO via cover letter from NRC dated November 12, 2015. Strata is currently awaiting determinations of eligibility between the WY-SHPO and the NRC.

Stipulation B.1.b states the following:

Strata shall submit a supplement to the Additional Testing Plan, which includes 48CK1603, 48CK2073, 48CK2076, and 48CK2083 within the Phase I area, to the NRC to include 48CK2075, 48CK2085, 48CK2229 and 48CK2231, which are also within the Phase I area.

Completion of this Plan was done in stages over 2015. It was initially prepared in March and underwent four major reviews and subsequent revisions. A final Plan was completed in late October 2015. All parties to the PA have been provided the Plan for review. At the time of this writing, Strata and the NRC are awaiting review by the WY-SHPO.

At present, only two properties require testing. Testing will be done at two properties, 48CK2073 and 48CK2085, and is scheduled to be undertaken as soon as weather and snow-cover conditions allow. The Plan left open the potential for additional testing of two properties, 48CK1603 and 48CK2083, while final engineering studies were completed to determine if potential effects could be avoided.

Stipulation B.1.c calls for consultations between Strata and the NRC on whether any cultural properties or portions thereof can be avoided in mine development. This goal was accomplished by the addition of Appendix B to the Plan, which identified management measures for the properties under consideration in the overall plan, including avoidance of potential effects.

III. Inadvertent Intrusion - Property 48CK2219

In July of 2015, Strata determined that drilling of five wells had inadvertently intruded within the site boundaries of Property 48CK2219. In summary, this intrusion occurred as a result of confusion over the final site boundaries and the maps used to identify them in engineering and construction actions. The final site boundary expanded the area from the initial tribal surveys of 48CK2219 by 180 percent. In March and April 2015, Strata reabandoned five Nubeth drill holes and installed three monitor wells within the site boundary of Property 48CK2219. These monitor wells along with the previously installed ore zone baseline wells were used in preparation of the Mine Unit 1 Wellfield Data Package.

Strata determined that this intrusion occurred as a result of not fully ensuring that the Strata field staff used the most-current boundaries for the TCPs. That situation was immediately corrected through a review of all boundary records and ensuring that the most current records were the only ones available. Strata established the following protocol to avoid any future such intrusions. The protocol ensures coordination among their employees, any contractor, subcontractor, inspectors and any authorized additional parties associated with the project such that no land-disturbing actions occur until all of these

parties fully understand the location of any historic property in relationship to the proposed land-disturbing actions.

- Notification to Strata by all contractors or subcontractors of any proposed work anywhere in the vicinity of any of the historic properties is required no less than ten (10) working days in advance of the proposed start of work.
- Strata's policy is that any proposed action within 500 feet of any cultural property must be reviewed by the Vice President of Permitting, Regulatory and Environmental Compliance in order to ensure that protocols for avoidance are maintained. This provision is separate from any other reviews and consultations deemed necessary.
- If any new information on the boundaries of any historic property is received by Strata, that information will be entered into the project engineering systems and any prior (outdated) information will be deleted at the same time the new data is entered into the system. Only one employee of Strata will be authorized to make any such changes and will be required to coordinate with the Vice President of Permitting, Regulatory and Environmental Compliance. Only that officer may authorize the change to any boundary information.
- In addition, these and other directives are in place, as set out in the 2015 Protocol.

A meeting was held October 28 and 29, 2015 on site with Strata, NRC, BLM, WY-SHPO, and representatives of the Northern Cheyenne and Rosebud Sioux tribes in attendance. An inspection of 48CK2219 was undertaken. Paths forward following the inadvertent intrusion included:

- Strata will abandon all wells other than the perimeter monitor well and restrict access to that well for continued water monitoring, with a modified sampling regime to limit any potential for disturbance.
- Strata will provide for review the future operation of the sole perimeter well and the abandonment procedures for the remaining wells inside this property.
- Once these interim efforts are reviewed, Strata will work on a long-term Minimization Plan for the site, basically a life-of-project plan.

IV. Ongoing Work

At the time of the annual report preparation, Strata continues to provide supplemental information for submission by the NRC to the WY-SHPO for review of the Plan and has prepared an amendment request to SUA-1601

requesting operational flexibility in locating some project infrastructure. Specifically, Strata requested that License Condition (LC) 11.3 be amended to provide greater flexibility in locating perimeter monitor wells in order to decrease potential direct effects to historic properties. If approved, the spacing of 300 to 500 feet for the perimeter wells may allow avoidance of properties previously proposed for further testing. Consistent with Stipulation B.1.c., Strata will notify the NRC in writing if direct effects to historic properties can be avoided.