



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

February 17, 2017

Mr. James H. Viellenave, President
AUC, LLC
1536 Cole Blvd., Suite 230
Lakewood, CO 80401

SUBJECT: ISSUANCE OF SOURCE AND BYPRODUCT MATERIALS LICENSE SUA-1602
AUC LLC IN SITU RECOVERY PROJECT IN CAMPBELL COUNTY, WYOMING
(CAC'S J00705 AND J60658)

Dear Mr. Viellenave:

By letter dated October 3, 2012, AUC, LLC submitted a license application to the U.S. Nuclear Regulatory Commission (NRC) for a Source and Byproduct Materials License for the in-situ extraction and recovery of uranium at its Reno Creek In Situ Recovery (ISR) Project in Campbell County, Wyoming. On November 30, 2012, NRC staff acknowledged receipt of the application and noted that the application was placed in NRC's Agencywide Documents Access and Management System (ADAMS) under Accession No. ML122890785. NRC staff also noted that it could not commence its acceptance review until March 2013 due to staffing constraints. The staff commenced the acceptance review in March 2013 and notified AUC on June 18, 2013, that the NRC staff had completed its acceptance review and found the application acceptable for detailed technical (safety) and environmental review. In addition to the application, the NRC staff held multiple public meetings with AUC to discuss various issues and submitted detailed requests for additional information to which AUC provided responses during the review process. The NRC completed its Safety Evaluation Report on September 30, 2016. We note that some delays occurred during the review of your application due to work associated with support to several hearings and work associated with the start of operations for the Nichols Ranch, Lost Creek, and Strata Ross sites.

The NRC staff completed its environmental review of the proposed facility and documented its findings in NUREG-1910, Supplement 6, "Environmental Impact Statement for the Reno Creek In Situ Recovery Project in Campbell County, Wyoming," (FSEIS) dated December 7, 2016 (ML16342A973). A notice of availability of this document was published in the *Federal Register* on December 16, 2016 (81 FR 91169). The NRC staff's analysis considers and weighs the environmental impacts resulting from the construction, operation, aquifer restoration, decommissioning of an ISR facility at the Reno Creek ISR Project site and potential alternatives to these actions. The FSEIS also contained the NRC staff's recommendation to the Commission, related to the environmental aspects of the proposed action that the source material license should be issued as requested, unless safety issues mandate otherwise.

During the safety review, the NRC staff developed proposed license conditions and issued a draft license for the Reno ISR Project on July 8, 2015, and revised draft licenses on September 6 and 30, 2016. By email dated December 12, 2016, AUC accepted the conditions in the final draft license (ML16350A054).

The NRC has found that the application for the Reno Creek ISR Project materials license complies with the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations. Based on its review, the NRC staff concludes that the application meets the applicable requirements in 10 CFR Parts 20 and 40. More specifically, in accordance with 10 CFR 40.32(b)-(c), the staff finds that AUC is qualified by reason of training and experience to use source material for the purpose that it requested, and that AUC's proposed equipment and procedures for use at its Reno Creek ISR Project facility are adequate to protect public health and minimize danger to life or property. The NRC staff's review supporting these findings was documented in its Safety Evaluation Report (ML16237A141). Enclosure 2 to this letter contains Revision 1 to the Safety Evaluation Report (SER). The SER was revised to include references not available at the time the original SER was published.

Therefore, in accordance with 10 CFR 40.32(d), the NRC staff finds that issuance of a license to AUC will not be inimical to the common defense and security or to the health and safety of the public. The NRC staff also finds in accordance with 10 CFR 40.32(e), after weighing the environmental, economic, technical, and other benefits against environmental costs and considering available alternatives, that the appropriate action is to issue Materials License SUA-1602 (Enclosure 1).

For license conditions in Section 12 "Preoperational Conditions", please be aware that NRC staff will not schedule nor participate in the requisite preoperational inspection until all conditions in Section 12 are resolved to the satisfaction of NRC staff. We request that a public meeting take place with our staff to thoroughly cover each license condition, discuss future actions towards satisfying license conditions, and expectations toward scheduling a pre-operational inspection prior to the commencement of operations.

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

J. Viellenave

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If you have any questions concerning the above, please contact Don Lowman at (301) 415-5452 or via email at Donald.Lowman@nrc.gov.

Sincerely,

/RA/

Andrea Kock, Deputy Director
Division of Decommissioning, Uranium Recovery
and Waste Programs
Office of Nuclear Material Safety
and Safeguards

Docket No. 040-09092
License No. SUA-1602

Enclosures:

1. Source and Byproduct Materials License SUA-1602
2. Safety Evaluation Report, Revision 1

cc: D. Schellinger, WDEQ

J. Viellenave

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CLOSES TAC J00705

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