



March 22, 2017

U.S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
Washington, DC 20555-0001

Re: Strata Energy- Ross Uranium Project  
Source Materials License SUA-1601, Docket No. 040-09091  
NRC Inspection Report 040-09091/2017 and Notice of Violation  
Reply to Notice of Violation

To Whom It May Concern:

In response to the above referenced NRC Inspection Report and Notice of Violation (NOV) dated March 2, 2017, enclosed please find Strata Energy, Inc.'s reply to the NOV. The NRC Inspection Report and NOV resulted from the NRC announced inspection conducted at the Ross Project January 31 through February 2, 2017 by Region IV and NRC Headquarters personnel. As the Inspection Report describes, the inspection was very encompassing of operational activities, radiation protection requirements, and environmental monitoring programs required by License SUA-1601.

The NRC inspection resulted in one NOV. The violation is listed below:

*10 CFR 71.5(a) requires that a licensee who transports licensed material outside of the site of usage, as specified in the NRC license, or where transport is on public highways, or who delivers licensed material to a carrier for transport, comply with the applicable requirements of the regulations appropriate to the mode of transport of the Department of Transportation (DOT) in 49 CFR Parts 107, 171-180, and 390-397.*

*49 CFR 172.200(a) requires, with exceptions not applicable here, that each person who offers a hazardous material for transportation describe the hazardous material on the shipping paper in a manner required by Subpart C of 49 CFR Part 172. Pursuant to 49 CFR 171.8 and 172.101, radioactive material is classified as hazardous material.*

*Contrary to the above, the licensee offered a hazardous material for transportation but failed to describe the hazardous material on shipping papers in a manner required by Subpart C of 49 CFR Part 172. Specifically, on August 22 and November 16, 2016, the licensee, as the shipper, offered to its contract carrier a hazardous material that was shipped by highway in roll-off containers without shipping papers describing the hazardous material.*

*This is a Severity Level IV violation (Supplement 6.8).*

As required by 10 CFR 2.201, a response to the NOV follows.

**Cause for the NOV**

The NRC is correct that Strata Energy Inc. (Strata) did not include all of the required shipping papers for the two 11e.(2) byproduct solid waste shipments that were transported in 2016. More specifically, Strata included shipping papers for the loaded waste shipments that were sent to the NRC-licensed disposal facility in central Wyoming but did not include shipping papers for the return shipment of the empty roll off container when it was returned to Strata. Although the waste had been removed from the shipping container, it is likely that the inside of the container had small amounts of residual radioactive material as it was not possible to wash the inside of the container. The inside of the container was not surveyed to determine the level of any residual contamination. In accordance with USDOT requirements, the return shipment was placarded LSA-1.

The reason for the NOV and the lack of shipping papers for the return shipments cannot be exactly determined as the Radiation Safety Officer (RSO) that was responsible for the initial shipment left employment with Strata in November 2016, just prior to the second shipment. However, it is evident that the RSO was not completely familiar with the contractual requirements with the disposal site operator regarding shipping papers and the transportation requirements for the return shipment of the container since this was the first shipment of 11e.(2) byproduct solid waste from the Ross facility. The lack of shipping papers for the second return shipment resulted from a similar oversight because the shipping paperwork package was prepared by the first RSO before he left employment at Strata and the new RSO responsible for the project assumed that the paperwork completed for the first shipment was acceptable. Therefore, the new RSO followed the same protocol and did not include shipping papers for the second empty return shipment.

**Corrective steps that have been taken and the results achieved**

Strata has prepared a Bill of Lading that complies with USDOT and disposal contract requirements to use for the transportation of future shipments of 11e.(2) byproduct solid waste shipments. The use of this new Bill of Lading for return shipments should prevent the recurrence of a similar violation in the future. Additionally, Strata has developed a checklist for all future shipments of 11e.(2) byproduct solid waste that lists all required surveys, checks and paperwork (including the shipping papers for the return shipments) that are to be included with each shipment. The RSO and other personnel that are involved in the preparation of paperwork associated with shipments of 11e. (2) byproduct solid waste have been instructed accordingly. A shipment of byproduct material was made on March 1, 2017 using this new procedure and documentation and no issues were identified.

**The corrective steps that will be taken**

Strata intends to revise the procedures in Section K.7 of the Strata Radiation Protection Program in order that they include a discussion of the requirement for return shipment shipping papers and the completion of the new checklist prior to shipment. These revisions to the Radiation Protection Program will be completed by March 24, 2017.

**Date when full compliance will be achieved**

Full compliance was achieved on March 1, 2017 when Strata compiled a new shipping paper to be used with the future return shipments of containers associated with the transport of 11e. (2) byproduct solid waste.

If you have any questions or need additional information, please contact me at (307) 467-5995 or [mgriffin@stratawyo.com](mailto:mgriffin@stratawyo.com).

Sincerely,

Strata Energy, Inc.

A handwritten signature in black ink, appearing to read 'M. Griffin', written over a horizontal line.

Michael Griffin  
Vice President of Permitting, Regulatory and Environmental Compliance

Cc: Mr. John Saxton- NRC Project Manager – **via email**

Regional Administrator, NRC Region 4

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