

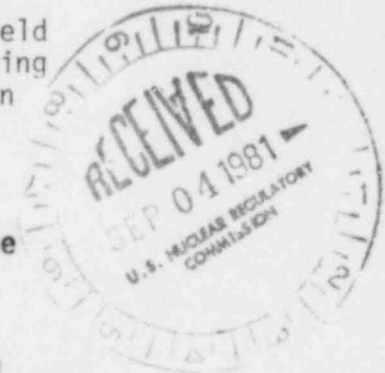
AUG 28 1981

SEP 28 1981

WMUR:JAP
Docket No. 40-8783

Dr. Christof Schmidt
Uranerz U.S.A. Inc.
800 Werner Court
Suite 140
Casper, Wyoming 82601

PDR
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REBrowning
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Gentlemen:

In response to your letter of August 4, 1981, the NRC is in the process of preparing an Environmental Impact Appraisal (EIA) concerning Uranerz's Ruth Island Project.

We have completed a preliminary review of your application and supporting material. While our review is still incomplete, we find that there are no fatal flaws which would prevent issuance of a license for this project. Based on our current workload projections, we will reach a decision on the issuance of your license by October 31, 1981.

If any difficulties are encountered in preparation of the final EIA because of minor inadequacies in information submitted or proposed procedures relating to the project, a source material license can be issued subject to appropriate stipulations being fulfilled prior to operation. This would allow Uranerz to begin construction of site facilities without undue delay while these minor details are being resolved. Uranerz U.S.A. Inc. will be given opportunity to review and comment upon all stipulations to a source material license prior to issuance of the license.

If you have any additional questions, please do not hesitate to contact us.

Original Signed By:

T. L. Johnson for
John J. Linehan, Section Leader
Operating Facilities Section I
Uranium Recovery Licensing Branch

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OFFICE	WMUR 420	WMUR 420					
SURNAME	JAPohle	JJLinehan					
DATE	8/28/81	8/28/81					