

July 31, 2012

Mr. Richard E. Blubaugh
Vice-President Environmental Health
and Safety Resources
Powertech (USA), Inc.
5575 DTC Parkway, Ste. 140
Greenwood Village, CO 80111

SUBJECT: DRAFT MATERIALS LICENSE SUA-1600, POWERTECH (USA), INC, DEWEY-BURDOCK IN SITU RECOVERY FACILITY, FALL RIVER AND CUSTER COUNTIES, SOUTH DAKOTA (TAC NO. J00606)

Dear Mr. Blubaugh:

On February 25, 2009, Powertech (USA), Inc. (Powertech) submitted an application to the U.S. Nuclear Regulatory Commission (NRC) staff for a Materials License to construct and operate the Dewey-Burdock uranium *in situ* recovery (ISR) facility in Fall River and Custer Counties, South Dakota. This application was withdrawn in June 2009, and Powertech resubmitted a supplement to the original application on August 10, 2009. In response to the staff's requests for additional information and open issues, the applicant provided revisions to the application correspondence dated December 23, 2010 and August 1, 2011.

Based on the staff's analysis of information provided by Powertech, the staff is developing a Safety Evaluation Report (SER) and Supplemental Environmental Impact Statement (SEIS). Enclosed is a draft license, which is preliminary in nature and for the purpose of initiating discussions necessary to finalize the SER and SEIS. Preparation of these documents is necessary to inform the NRC decision makers in making their decision on your licensing request. It should be noted that as the staff's review continues, this draft license is subject to change, and has not received formal legal review. Issuing this draft license does not constitute a licensing decision by the NRC. Please review the draft license and provide comments within 30 days of receipt of this letter. Comments can be provided via letter or email. The staff can also schedule a public meeting to discuss the draft license. Significant changes or deviations from the draft license may require additional staff review and may delay the final review schedule.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders," 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 document system (ADAMS). ADAMS is accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions concerning the above, please contact me at (301) 415-7182 or via email at Ronald.Burrows@nrc.gov.

Sincerely,

/RA/ by T. Lancaster for

Ronald Burrows, Project Manager
Uranium Recovery Licensing Branch
Decommissioning and Uranium Recovery
Licensing Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials

Docket No. 40-9075

Enclosure:
Draft Source Material License

cc:
Dick Clement, Powertech
John Mays, Powertech
Bob Townsend, SD DENR
Mike Cepak, SD DENR
Marian Atkins, BLM
Mike McNeil, USFS
Lynn Kolund, USFS
Valois Shea, US EPA, Region 8

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Division of Waste Management
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Enclosure:
Draft Source Material License

cc:
Amy Thurkill, Powertech (USA)
John Mays, Powertech (USA)
Bob Townsend, SD DENR
Mike Cepak, SD DENR
Marain Atkins, BLM
Mike McNeil, FS
Lynn Kolund, FS
Valois Shea, US EPA, Region 8

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