

April 24, 2014

Mr. Ralph Knode
Chief Executive Officer
Strata Energy, Inc.
1900 W. Warlow Dr., Building A
Gillette, WY 82717

SUBJECT: ISSUANCE OF SOURCE AND BYPRODUCT MATERIALS LICENSE SUA-1601
STRATA ENERGY, INC. ROSS IN SITU RECOVERY PROJECT IN CROOK
COUNTY, WYOMING (TAC's J00649 and J00840)

Dear Mr. Knode:

By letter dated January 4, 2011, Strata Energy, Inc. (Strata) 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 Ross In-Situ Recovery (ISR) Project in Crook County, Wyoming. The NRC staff accepted the application for detailed technical (safety) and environmental review on May 2, 2011. In addition to the application, the NRC staff held several public meetings with Strata to discuss various issues and submitted detailed requests for additional information to which Strata provided responses during the review process.

The NRC staff has completed its environmental review of the proposed facility and documented its findings in NUREG-1910, Supplement 5, "Environmental Impact Statement for the Ross ISR Project in Crook County, Wyoming," (FSEIS) dated February 28, 2014 (ML14056A096). A notice of availability of this document was published in the *Federal Register* on March 7, 2014 (79 FR 13052). 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 Ross 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 Ross ISR Project on November 6, 2012, and revised draft licenses on February 7, 27 and 28, 2013, February 4, 2014 and April 17, 2014. By email dated April 17, 2014, Strata accepted the conditions in the final draft license.

The NRC has found that the application for the Ross 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 Strata is qualified by reason of training and experience to use source material for the purpose that it requested, and that Strata's proposed equipment and procedures for use at its Ross ISR Project facility are adequate to protect public health and minimize danger to life or property. The NRC staff's review supporting these findings is documented in its Safety Evaluation Report (ML14002A107).

Therefore, in accordance with 10 CFR 40.32(d), the NRC staff finds that issuance of a license to Strata 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-1601 (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.

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>.

If you have any questions concerning the above, please contact John Saxton at (301) 415-0697 or via email at John.Saxton@nrc.gov.

Sincerely,

/RA/

Andrew Persinko, Deputy Director
Decommissioning and Uranium Recovery
Licensing Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket No. 040-09091
License No. SUA-1601

Enclosures:
Source and Byproduct Materials License SUA-1601

cc:
M. Bennett, WDEQ
J. Bashor, BLM

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Docket No. 040-09091
License No. SUA-1601

Enclosures:
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cc:
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