



August 12, 2015

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

Re: Strata Energy Ross In Situ Recovery Project
Source Materials License SUA-1601, Docket No. 040-09091
Response to Comments on Submittal for License Condition 12.10

To Whom It May Concern:

By letter dated July 23, 2015, the Nuclear Regulatory Commission (NRC) submitted to Strata Energy, Inc. (Strata) a technical review and comments on Strata's March 5, 2015 submittal of the Strata Quality Assurance Plan (QAP) addressing License Condition (LC) 12.10. This initial Strata submittal was subsequently amended by a submittal made on July 6, 2015. LC 12.10 states:

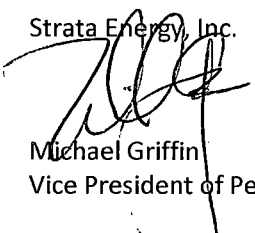
"At least 60 days prior to the preoperational inspection, the licensee will submit a completed Quality Assurance Plan (QAP) for NRC staff review and verification. The QAP will include the requirements in 10 CFR 20.1703(c)(4)(vii), and be consistent with guidance for a Quality Assurance Project Plan in Regulatory Guide 4.15 (as revised). The portion of the QAP fulfilling requirements of 10 CFR 20.1703(c)(4)(vii) may be included as a section or attachment in the applicable SOP(s)."

Strata's responses to the comments on the QAP are provided in Attachment 1. A revised QAP implementing the responses to these comments has been prepared and is available for inspection.

Please contact me if you have any questions. You can reach me at (307) 686-4066 or mgriffin@stratawyo.com.

Sincerely,

Strata Energy, Inc.



Michael Griffin

Vice President of Permitting, Regulatory and Environmental Compliance

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

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Attachment 1

ROSS URANIUM PROJECT SOURCE MATERIALS LICENSE SUA-1601 Response to NRC Comments on Strata Quality Assurance Plan

NRC Comment No. 1 - Throughout

The QAP refers the reader to several other Ross ISR Project program plans and implementing procedures for details on the implementation of quality control procedures. These plans and procedures include those for the radiation protection program, environmental management program, and training program. The staff requests that Strata provide the following information in support of the staff's preparation for the preoperational inspection in accordance with LC 12.6: a list of program plan documents and all implementing procedures for the radiation protection program, environmental management program, and training program. This list should include: 1) the plan or procedure document number; 2) plan or procedure title; 3) plan or procedure revision number; and 4) plan or procedure approval date. The staff requests that Strata also identify which procedures contain quality control procedures in accordance with the Strata's proposed QAP.

Response to Comment No. 1:

Appendix 1 – "Quality Assurance Aspects of Strata Environmental, Radiation Safety, and Training Procedures" contains the requested information for procedures contained in the Environmental Management Procedures, Radiation Protection Program, and Training Plan. These documents have been recently submitted to NRC for review before the preoperational inspection.

NRC Comment No. 2 – Section B.3, Organizational Structure and Responsibilities

The key positions identified in Section B.3 are inconsistent with the management organization described in Strata's Technical Report (Strata 2011a) and approved in Strata's license (NRC 2014). Please revise the QAP to be consistent with the NRC-approved organization and explain the quality-related functions of the senior management positions described in the Technical Report, but not described in Revision 0 of the QAP.

Response to Comment No. 2:

The Technical Report (TR) was prepared in 2011 and reflected the expected organizational structure at that time. Since 2011, Strata has refined the management organization in regards to job titles and, in the case of the Chief Executive Officer, assigned responsibilities. A revised organization chart based on TR Figure 5.1-1 is included as Appendix 2. The job titles from the TR have been changed as follows:

- The Chief Operating Officer is now the Chief Executive Officer (CEO).
- The Manager of Health, Safety and Environmental Affairs is now the Vice President of Permitting, Regulatory, and Environmental Compliance.
- The Operations Superintendent is now the Vice President of Operations.
- The Chief Geologist is now the Vice President of Geology.

The overall functions and responsibilities are unchanged from those reflected in the Technical Report with the following exceptions:

- The CEO now fulfills the functions originally defined for the Chief Operation Officer (COO), General Manager, and Facility Manager.
 - The Construction Superintendent now reports to the Vice President of Geology.
- The reporting organization, responsibilities, and functions of the Radiation Safety Officer have not been affected by these changes. The revised organizational chart was approved by the Strata Safety and Environmental Review Panel in SERP-15-18. The proceedings of all SERP reviews conducted by Strata since issuance of SUA-1601 are available for inspection. In addition a copy of each SERP proceeding and changes to the TR as a result of these approvals have been requested by NRC and are being compiled for a submittal to support preparation for the preoperational inspection. The organization discussed in Revision 0 of the Strata QAP reflects the organization that was approved by the SERP. Quality-related functions as described in the TR are included in Revision 1 of the QAP.

NRC Comment No. 3 – Section D, Operating Procedures, Subsection D.1, Purpose

Strata stated that “Strata management shall determine which activities are associated with critical safety, health, and environmental activities.” [emphasis added] Consistent with the key positions described in QAP Section B.3, “Organization Structure and Responsibilities,” please clarify who is responsible for determining which activities are associated with critical safety, health, and environmental activities.

Response to Comment No. 3:

Section D, Subsection D.1 has been revised to state:

“The Vice President of Permitting, Regulatory, and Environmental Compliance and the RSO shall determine which activities are associated with critical safety, health, and environmental activities”.

NRC Comment No. 4 – Section D, Operating Procedures, Subsection D.1, Purpose

In the second paragraph of Section D.1., Strata identifies two positions that are not identified in QAP Section B.3, "Organization Structure and Responsibilities," or the NRC-approved Technical Report: (1) Safety Supervisor; and (2) Safety and Environmental Coordinator. Please revise the QAP to be consistent with the NRC-approved organization and clarify who must be involved in the drafting of procedures involving occupational health and safety risks, and who will review them.

Response to Comment No. 4:

The reference to the Safety Supervisor has been revised to reference the Safety and Environmental Coordinator in accordance with the revised Strata Organization discussed in the response to Comment 2. Note that the TR did not include any position associated with occupational safety and health. The section has also been revised to note that the RSO, Safety and Environmental Coordinator, and Vice President of Permitting, Regulatory, and Environmental Compliance will review new or revised procedures.

NRC Comment No. 5 – Section F.1.3, Quality Assurance Audits and throughout, as noted

In Section F.1.3, Strata stated "The audits will be reviewed by facility and corporate management."

- *In Section J.2.1, Strata stated, regarding the Annual ALARA Audit, "The report is submitted to Strata management and report's findings and their implications are discussed with all employees during annual radiation safety training."*
- *In Section J.3, "QA/QC Audit," Strata stated, regarding the annual QA/QC audit report, "The report is submitted to management and the report's findings and their implications should be discussed with all employees."*
- *In Section J.3.1.3, Monthly Report, Strata stated, "The RSO provides a detailed written monthly report to management as outlined in the RPP. The report is circulated to Strata senior management and all department heads and summarizes the month's significant worker protection activities, including (...)."*

Consistent with the key positions described in QAP Section B.3, "Organization Structure and Responsibilities," please clarify who will review the audit reports and who is responsible to ensure that the findings of audit reports are addressed.

Response to Comment No. 5:

Strata has made the following changes in Revision 1 of the QAP.

- *In Section K.2.1, revision 1 states, regarding the Annual ALARA Audit, "The report is submitted to the CEO, the Vice President of Permitting, Regulatory, and Environmental Compliance, and the RSO and report's findings and their implications are discussed with all employees during annual radiation safety training."*
- *In Section K.3, "QA/QC Audit," revision 1 states, regarding the annual QA/QC audit report, "The report is submitted to the CEO, the Vice President of Permitting, Regulatory, and Environmental Compliance, and the RSO and the report's findings and their implications should be discussed with all employees."*
- *In Section K.3.1.3, Monthly Report, revision 1 states, "The RSO provides a detailed written monthly report to the Vice President of Permitting, Regulatory and Environmental Compliance as outlined in the RPP. The report is circulated to the Strata CEO and all department heads and summarizes the month's significant worker protection activities, including (...)."*

Please note that the revisions noted above have been made to Section K, Assessments, Audits, and Surveillances due to the insertion of new Section J, Preventive and Corrective Actions as discussed in Strata's July 6 response to comments.

NRC Comment No. 6 – Section F.1.7, Direct Radiation Monitoring

Strata stated, "Functions checks [of survey instruments] will be performed using a properly selected and calibrated check source." [emphasis added]. Please describe how check sources are properly selected.

Response to Comment No. 6:

The check sources which Strata will use to perform function checks of survey instruments will be a Th-230 source for alpha radiation, a Sr-90 source for beta radiation, and a Cs-137 source for gamma radiation. The sources were selected in accordance with ANSI N323AB-2013 "American National Standard for Radiation Protection Instrumentation Test and Calibration, Portable Survey Instruments" Section 4.1 Table 1. The sources selected emit radiation at energies most closely resembling those encountered at Uranium Recover (UR) facilities. Additionally, Th-230, Sr-90, and Cs-137 sources are in use at other operating UR facilities to perform functions checks.

NRC Comment No. 7 – Section F.2, Quality Control of Radiological Effluent and Environmental Monitoring Measurements

Strata did not address, in the proposed QAP, its proposed plan for effluent monitoring, as described in its March 1, 2015, letter regarding License Conditions 12.6, 12.7, and 12.8. Please describe the quality assurance plan provisions for measuring radon in water samples.

Response to Comment No. 7:

New Section F.2.4 has been added to the QAP in Revision 1:

F.2.4 Process Solution Sampling

Process solution sampling is performed during uranium recovery operations to determine the concentration of various parameters in the process solution including uranium and radon. Uranium samples allow the determination of recovery rates from the wellfield and efficiency of the ion exchange circuit in uranium recovery. Radon samples are obtained to determine the releases of radon gas from the process. Process solution sampling is performed in accordance with the instructions contained in the appropriate laboratory SOP.

Strata SOP L-8 -Radon in Water Sampling, describes the QA aspects for obtaining process solution samples for radon. QAP Sections F.3 and F.4 describe the quality assurance aspects related to analysis of radon at outside contract laboratories.

NRC Comment No. 8 – Section I.1, Validation and Verification for Accuracy and Completeness

Strata stated, "The RSO is principally responsible for the validation and verification of activities whose failure could have an impact on the environment, health, or safety. The Radiation Safety Officer (RSO) or designee is responsible to review and initial logbooks, QC reports, and logs at least monthly for completeness and accuracy." [emphasis added]. The phrase "or designee" is not clear and is not consistent with any position described in QAP Section B.3, "Organization Structure and Responsibilities." Consistent with the key positions described in QAP Section B.3, please clarify which key position, if any, in addition to the RSO, may perform this QA function.

Response to Comment No. 8:

The phrase "or designee" has been removed from Section I.1 in revision 1 of the QAP.

NRC Comment No. 9 – Section J.3.1, Routine Operational Inspections

In the second sentence, Strata stated that daily and weekly inspections and the monthly report are done by the RSO or designee. Please clarify that the designee may perform daily inspections in accordance with LC 9.7, but may not perform weekly inspections or prepare monthly reports.

Response to Comment No. 9:

Section K.3.1 has been revised in revision 1 of the QAP to read:

K.3.1 Routine Operational Inspections

Routine inspections of the Ross facilities are conducted to assess adherence to the RPP and identify any unforeseen conditions that could impact health, safety or the environment.

K.3.1.1 Daily Inspections

Daily facility inspections are performed as outlined in the RPP. These inspections are done by the RSO or designee.

K.3.1.2 Weekly Inspections

Weekly facility inspections are performed as outlined in the RPP. These inspections are done by the RSO.

K.3.1.3 Monthly Report

The RSO provides a detailed written monthly report to management as outlined in the RPP. The report is circulated to the Vice President of Permitting, Regulatory and Environmental Compliance as outlined in the RPP. The report is circulated to the Strata CEO and all department heads and summarizes the month's significant worker protection activities, including:

Please note that the revisions noted above have been made to Section K, Assessments, Audits, and Surveillances due to the insertion of new Section J, Preventive and Corrective Actions as discussed in Strata's July 6 response to comments.

NRC Comment No. 10 – Section J, Preventive and Corrective Actions

Strata proposed a new Section J for its QAP, but did not explain what it would do with the existing Section J, "Assessments, Audits, and Surveillances," in Rev. 0 of its proposed QAP. Please clarify how the QAP will be reorganized.

Response to Comment No. 10:

The insertion of new Section J, Preventive and Corrective Actions, resulted in Assessments, Audits, and Surveillances becoming new Section K. Section K in revision 0, References, became new section L. Section L in revision 0, Units and Acronyms, became new Section M.

Appendix 3 contains the Table of Contents from Revision 1.

NRC Comment No. 11 – Section J Preventive and Corrective Actions

Throughout this section, Strata uses the phrases, “appropriate personnel,” “appropriate management,” and “Management or appropriate personnel.” These designations are vague and undefined. Consistent with the key positions described in QAP Section B.3, “Organization Structure and Responsibilities,” please clarify which key positions are responsible for reviewing assessments, audits, inspections, and surveillance as part of the continuous improvement program, and to what senior key positions deficiencies and non-conformances are reported. Strata should also clarify what key position is responsible to correct problems identified under the QAP.

Response to Comment No. 11:

Section J has been revised in Revision 1 to state in every case that the Vice President of Permitting, Regulatory, and Environmental Compliance and the RSO are responsible 1) for reviewing assessments, audits, inspections, and surveillance; 2) receiving reports of deficiencies and non-conformances; and 3) taking corrective action to correct problems identified under the QAP.

**Appendix 1 – Quality Assurance Aspects of
Strata Environmental, Radiation Safety, and Training Procedures**

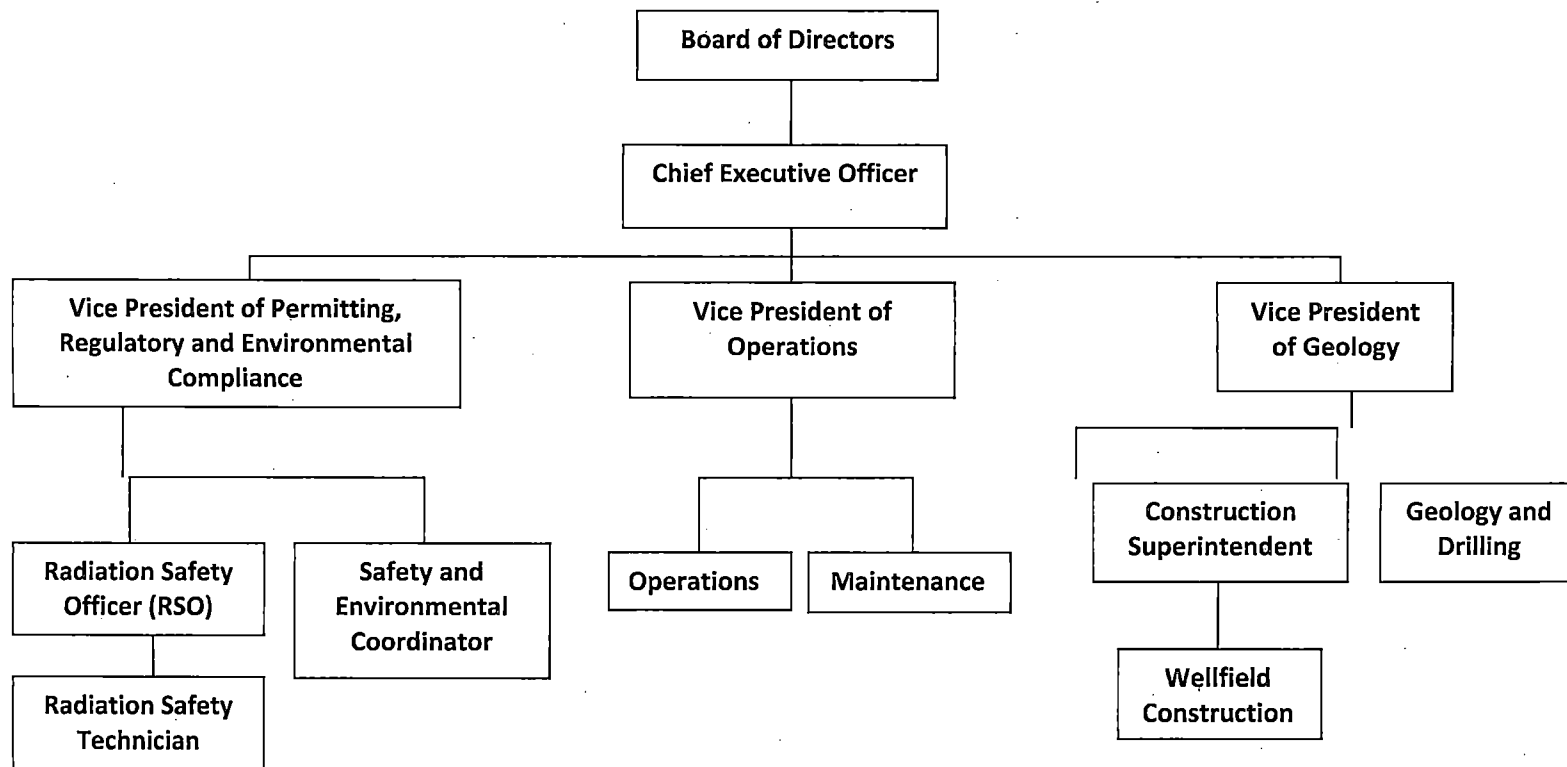
Procedure ID	Procedure Title	Revision Number	Approval date	Quality Control Procedures Included?
	ENVIRONMENTAL MANAGEMENT PROCEDURES			
EMP SECTION A	INTRODUCTION AND PURPOSE	Revision 0	11 Nov 2014	Yes
EMP SECTION B	ENVIRONMENTAL MONITORING			
EMP Section B.1	Water Monitoring			Yes
EMP Section B.2	Air Monitoring			Yes
EMP Section B.3	Direct Radiation Monitoring			Yes
EMP Section B.4	Soil and Sediment Monitoring			Yes
EMP Section B.5	Vegetation and Food Monitoring			No
EMP Section B.6	Wildlife Monitoring			No
EMP Section B.7	Meteorological Monitoring			Yes
EMP SECTION C	ENVIRONMENTAL INSPECTIONS			
EMP Section C.2	Wellfield Construction Inspections			Yes
EMP Section C.3	Environmental Field Inspections			No
EMP Section C.4	Lined Retention Pond Inspections			Yes
EMP Section C.5	Header House Building, Wellhead, and Valve Vault Inspections			No
EMP Section C.6	Diversion Structure Inspection			No
EMP Section C.7	Containment Barrier Wall Inspection			No
EMP Section C.8	Stormwater Pollution Prevention Plan Inspections			No
EMP Section C.9	Spill Prevention, Containment, and Countermeasures Plan Inspections			No
EMP Section C.10	Oshoto Dam Inspections			Yes
EMP SECTION D	ENVIRONMENTAL REPORTING			
EMP Section D.1	Wyoming Department of Environmental Quality			No
EMP Section D.2	US Nuclear Regulatory Commission	Revision 0	11 Nov 2014	No
EMP SECTION E	WELLFIELD DEVELOPMENT AND MONITORING			
EMP Section E.2	Wellfield Data Package			Yes
EMP Section E.3	Well Development			Yes
EMP Section E.4	Wellfield Groundwater Baseline Monitoring Program			Yes
EMP Section E.5	Exempted Aquifer			No
EMP Section E.6	Wellfield Hydrologic Testing			Yes
EMP Section E.7	Determination of Monitor Well Upper Control Limits			Yes
EMP Section E.8	Determination of Target Restoration Values			Yes
EMP Section E.9	Wellfield Excursion Monitoring	To be Developed		
EMP Section F	ARCHEOLOGICAL RESOURCE/HUMAN REMAINS UNANTICIPATED DISCOVERY PLAN	Revision 0	11 Nov 2014	No
EMP Section G	WASTE MANAGEMENT			
EMP Section G.1	Solid Waste Management and Disposal			No
EMP Section G.2	Hazardous Waste Management and Disposal			No
EMP Section G.3	Radioactive Waste (Byproduct Material) Management	To be Developed		
EMP Section H	RECLAMATION	Revision 0	11 Nov 2014	
EMP Section H.2	Topsoil Management			Yes
EMP Section H.3	Revegetation			Yes
EMP Section I	WELL PLUGGING AND ABANDONMENT			Yes

<i>Procedure ID</i>	<i>Procedure Title</i>	<i>Revision Number</i>	<i>Approval date</i>	<i>Quality Control Procedures Included?</i>
	RADIOLOGICAL PROTECTION PROCEDURES			
RPP Section C	Radiation Protection Organization And Management	Draft	TBD	Yes, Section C.3 discusses SHE Management Procedures relating to QC
RPP Section D	Administrative Controls			Yes, Section D.12 discusses QA. Annual reviews of programs discussed throughout
RPP Section E	External Radiation Monitoring Program			Yes, QC references to Section L RE: calibration, function check, etc.
RPP Section F	Uranium Bioassay Program			Yes, Section F.5. I
RPP Section G	Airborne Radioactivity Monitoring And Control			Yes
RPP Section H	Contamination Control			Yes
RPP Section I	Respiratory Protection Program			Yes
RPP Section J	Exposure Monitoring Program			Yes
RPP Section K	Transportation Of Radioactive Materials			Yes
RPP Section L	Radiological Laboratory Programs			Yes

<i>Procedure ID</i>	<i>Procedure Title</i>	<i>Revision Number</i>	<i>Approval date</i>	<i>Quality Control Procedures Included?</i>
	TRAINING PROGRAM			
TP Section B	Training Organization and Management	Revision 0	13 July 2015	Yes
TP Section C	Industrial Safety Training			No
TP Section D	Radiation Safety Training			Yes
TP Section E	Hazardous Materials Transportation Training			Yes
TP Section F	Environmental Protection Training			No



Appendix 2 – Strata Organization





Appendix 3 – Strata Quality Assurance Plan Table of Contents – Revision 1

No table of contents entries found.