

SAFETY EVALUATION REPORT
Materials License SUA-1601, Amendment 6
Ross In-Situ Recovery Facility

Docket No.: 040-09091

License No.: SUA-1601

Date: February 21, 2017

Facility: Ross In-Situ Recovery Project, Crook County, Wyoming

Technical Reviewers: Ronald A. Burrows
Don Lowman

Project Manager: John L. Saxton

SUMMARY AND CONCLUSIONS:

By letters dated July 1 and July 6, 2015 (Strata, 2015a;b), Strata Energy, Inc. (Strata) submitted to the U.S. Nuclear Regulatory Commission (NRC), for review and approval, requests to amend License Condition (LC) 9.7 of its Materials License SUA-1601 (NRC, 2016). The purpose of Strata's amendment requests is to allow additional flexibility for qualified designees to perform daily inspections for up to 4 consecutive days during the Christmas and Thanksgiving holidays. As documented in this Safety Evaluation Report (SER), the NRC staff finds this request consistent with previous NRC staff findings and guidance in Regulatory Guide 8.31 and is therefore approved.

Additionally, by letter dated October 27, 2016 (Strata, 2016), Strata submitted a request to change its mailing address. The purpose of this request was to change its mailing address in the license to:

Strata Energy, Inc.
2929 New Haven Road
Oshoto, Wyoming 82721

The NRC approves this request without review as the revised mailing address is purely administrative and does not affect the ability of the licensee to meet its license requirements.

TECHNICAL REVIEW:

Background

By letter dated April 24, 2014 (NRC, 2014a), the NRC issued Materials License SUA-1601 (license) to Strata. Strata's license contains LC 9.7, which describes the conditions whereby a qualified designee may perform daily walk-through visual inspections of all work and storage areas of the facility, as follows:

- 9.7 The licensee shall follow the guidance set forth in NRC Regulatory Guides 8.22, "Bioassay at Uranium Recovery Facilities" (as revised), 8.30, "Health Physics Surveys in Uranium Recovery Facilities" (as revised) and 8.31, "Information Relevant to Ensuring that Occupational Radiation Exposure at Uranium Recovery Facilities will be As Low As Is Reasonably Achievable (ALARA)," (as revised) or NRC-approved equivalent with the following exception:

The licensee may identify qualified designee(s) to perform daily inspections in the occasional absence of the RSO (Radiation Safety Officer) and radiation safety technician(s) (RST). The qualified designee(s) will have health physics training, and the licensee will specify the training program to qualify a designee and submit it to the NRC staff for review and written verification. A qualified designee may perform daily inspections on weekends, holidays, or times when both the RSO and RST(s) must both be absent (e.g., illness or offsite training). A designee shall not perform daily inspections for more than two consecutive days except in the event of a Federal or company holiday, whereby the designee will not exceed more than three consecutive days. Reports generated by the designee will be reviewed by the RSO or RST as soon as practical, but no later than 3 hours from the beginning of the next work day following an absence, weekend, or holiday. The licensee will also have the RSO or RST available by telephone while the qualified designee is performing the daily inspections.

Notwithstanding the License Condition (LC) 9.4 change process, no additional exceptions to the guidance will be implemented without written NRC verification that the criteria in LC 9.4 do not require a license amendment.

As indicated above, this license condition limits the performance of daily inspections by a qualified designee to no more than three consecutive days in the case of a Federal or company holiday. By letter dated July 1, 2015 (Strata, 2015a), Strata submitted to the NRC, for review and approval, a request to amend LC 9.7, and to clarify information for staff's review and verification of LC 12.4. For staff's verification of LC 12.4, the July 1st letter provided a description and responsibilities of a designee and Strata's policy on the work situations for a declared pregnant worker. For amendment of LC 9.7, the July 1st letter requested that LC 9.7 include a provision that allowed the designee to perform daily inspections for up to four days for the Thanksgiving holiday. By letter dated September 8, 2015 (NRC, 2015), the NRC staff previously approved Strata's qualified designee program that was applicable to Staff's review and verification of LC 12.4. The portion of Strata's July 1st request that sought to amend LC 9.7 to allow a designee to perform daily surveys for four consecutive days during the Thanksgiving holiday, was not previously reviewed. The reason was that the latter required an amendment to

the license (by changing the language in the license condition whereas the former portion required only staff verification (i.e., no change to the license language)).

By letter dated July 6, 2015 (Strata, 2015b), Strata submitted to the NRC, for review and approval, a supplement to its July 1st request seeking to apply the proposed 4 day performance period to the Christmas holiday (Christmas Eve and Christmas Day), in addition to the Thanksgiving holiday, when the Christmas holiday period includes Thursday and Friday, or Monday and Tuesday in combination with a weekend.

In responses to the NRC staff's email request for agreement with the final license conditions, Strata requested that language in LC 9.7 be revised from that originally requested (Strata, 2017). Specifically, the request was to change the phrase "*no later than 3 hours from the beginning of the next work day following an absence, weekend, or holiday*" to "*no later than the close of business on the first day an RSO or RST returns to work. The RSO or RST review shall be annotated with date and time on the report or other document that can be inspected upon request.*" In its request, Strata stated that the requested change will not significantly impact the intent of the license condition and that the proposed language is consistent with a similar license condition in other uranium recovery licenses.

Discussion

This SER applies to the request to change the license requirement of three consecutive days to four days for the Thanksgiving holiday (pursuant to the July 1st request) and the Christmas holiday when the holiday comprises a 4-day event when combined with a weekend (pursuant to the July 6th request) in LC 9.7. As noted above, under LC 9.7, qualified designees may perform the daily walk-through visual inspections required by Regulatory Guide 8.31, subject to certain conditions. Regulatory Guide 8.31 provides guidance, in part, on administrative practices acceptable to the NRC staff for performing daily walk-through visual inspections of all work and storage areas of the facility. This guidance includes recommended training and experience for personnel performing these daily inspections, as well as procedures to follow for implementing the inspections, acceptable to the NRC staff in accordance with 10 CFR 40.32 (b) & (c). The NRC staff finds the requested amendment meets the requirements of 10 CFR 40.32 (b) & (c) as they relate to the acceptability of management audits to ensure protection of health and minimize danger to life and property because the conditions regarding qualified designees already in LC 9.7 ensure consistency with Regulatory Guide 8.31. Specifically, the NRC staff finds Strata's request regarding the daily inspections for the Thanksgiving and Christmas holidays consistent with the recommendations in Regulatory Guide 8.31 for the following reasons:

- The majority of the daily inspections will still be performed by the RSO or Health Physics Technician (HPT) (the HPT is defined in Regulatory Guide (RG) 8.31 but that designation has been modified by Strata as the RST in Strata's license).
- There will be an RSO or HPT (RST in Strata's license) available by phone during times when a qualified designee is performing the daily inspection.
- Any reports generated by a qualified designee will be reviewed by the RSO or HPT (RST in Strata's license) in a timely fashion.

The NRC staff observes that a similar request was reviewed and approved as part of the license renewal for Materials License SUA-1534 (Crow Butte Resources, Inc.) (NRC, 2014b). As documented in the SER (refer to Section 5.3 of NRC, 2014b) for that license renewal, the NRC staff approved a license condition that included four consecutive days for the Thanksgiving holiday based on similar reasons as above. Based on these reasons, the NRC staff determined that the proposed change was consistent with Regulatory Guide 8.31, and thus met the requirements of the applicable regulations, including 10 CFR 40.32 (b) & (c).

The NRC staff agrees that Strata's proposed change in language in its February 13, 2017 request from "no later than 3 hours from the beginning of the next work day following an absence, weekend, or holiday" to "no later than the close of business on the first day an RSO or RST returns to work" is consistent with the intent of the license condition. The intent is to have the RSO or RST (HPT) review the survey results on the day that the RSO or RST (HPT) returns to work to ensure that a survey had been completed and that it was properly documented and not to ensure an RSO's or RST's immediate attention to an issue. The requirement for the RSO or RST to be available by telephone during the daily inspection is the mechanism by which the licensee ensures that the RSO or RST can timely attend to an issue that may require immediate attention. Furthermore, it is anticipated that any issues would be addressed during the RSO's or RST's daily inspection on the day that they return. Finally, the NRC staff acknowledges that this language is consistent with language in other licenses (NRC, 2014b).

Therefore, the NRC staff finds Strata's request to amend LC 9.7 acceptable and staff recommends approval of the July 1st and 6th requests.

Environmental Review and Consultations

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) Part 51.22(b), the NRC's regulations implementing the National Environmental Policy Act, the NRC staff has determined that neither an environmental assessment nor an environmental impact statement is required for changing the licensee's address or language in LC 9.7 as both fall under a categorical exclusion listed in 10 CFR 51.22(c).

The proposed amendment to LC 2 is a change of the licensee's business address, and is therefore, categorically excluded from environmental review under 10 CFR 51.22(c)(10)(iii).

10 CFR 51.22(c)(ii) provides that amendments to materials licenses that are administrative, organizational, or procedural in nature are categorically excluded from environmental review, provided the amendment results in no significant:

- change in type or increase in the amounts of any effluents that may be released offsite;
- increase in individual or cumulative occupational radiation exposure;
- construction impact; and
- increase in the potential for or consequences from radiological accidents.

The proposed amendment to LC 9.7 is an administrative and procedural change to Strata's qualified designee program. Because this amendment only involves increasing the number of daily inspections performed by designees by only a few days a year, the NRC staff has determined that there is no change in type or increase in the amounts of any effluents that may be released offsite. Also, since the daily inspections do not involve any construction activities, there will be no construction impact.

As discussed in this SER, the NRC staff found the proposed amendment consistent with RG 8.31. RG 8.31 provides guidance on administrative practices acceptable to the NRC staff for maintaining occupational exposures as low as reasonable achievable in uranium recovery facilities. The inspections will be performed in essentially the same manner and the number of daily inspections will remain the same as prior to the requested amendment. Therefore, there will be no significant increase in individual or cumulative occupational radiation exposure.

Lastly, since the licensee's operations will not change as a result of this amendment, no additional accident scenarios will be created and thus there will not be an increase in the potential for or consequences from radiological accidents. Therefore, as an administrative and procedural amendment which does not result in any significant changes to the impacts discussed above, this action is categorically excluded under 10 CFR 51.22(c)(11).

Section 7 of the Endangered Species Act (Act) [16 U.S.C. 1531 et seq.] outlines the procedures for Federal interagency cooperation to conserve Federally listed species and designated critical habitats. Section 7(a)(2) states that each Federal agency shall, in consultation with the Secretary, insure that any action they authorize, fund, or carry out is not likely to jeopardize the continued existence of a listed species or result in the destruction or adverse modification of designated critical habitat. The NRC staff has determined that a Section 7 consultation is not required because the proposed action is administrative/procedural in nature and will not affect listed species or critical habitat. The NRC staff has determined that the proposed action is not a type of activity (e.g., ground disturbing) that has potential to cause effects on historic properties. Therefore, in accordance with 36 CFR 800.3(a)(1), no additional consultation is required under Section 106 of the National Historic Preservation Act.

Proposed License Condition

The proposed license conditions are as follows:

2. 2929 New Haven Road
Oshoto, WY 82721

[Applicable Amendment: 6]

- 9.7 The licensee shall follow the guidance set forth in NRC Regulatory Guides 8.22, "Bioassay at Uranium Recovery Facilities" (as revised), 8.30, "Health Physics Surveys in Uranium Recovery Facilities" (as revised) and 8.31, "Information Relevant to Ensuring that Occupational Radiation Exposure at Uranium Recovery Facilities will be As Low As Is Reasonably Achievable (ALARA)," (as revised) or NRC-approved equivalent with the following exception:

The licensee may identify qualified designee(s) to perform daily inspections in the occasional absence of the RSO and radiation safety technician(s) (RST). The qualified designee(s) will have health physics training, and the licensee will specify the training program to qualify a designee and submit it to the NRC staff for review and written verification. A qualified designee may perform daily inspections on weekends, holidays, or times when both the RSO and RST(s) must both be absent (e.g., illness or offsite training). A qualified designee shall perform daily inspections for no more than 2 consecutive days per week, except (a) up to 3 consecutive days, when a Federal holiday falls on a Monday or Friday, or (b), up to 4 consecutive days for Thanksgiving and when the Christmas holiday consists of two days abutting a weekend. Reports generated by the designee will be reviewed by the RSO or RST as soon as practical, but no later than the close of business on the first day an RSO or RST returns to work. The RSO or RST review shall be annotated with date and time on the report or other document that can be inspected upon request. The licensee will also have the RSO or RST available by telephone while the qualified designee is performing the daily inspections.

Notwithstanding the License Condition (LC) 9.4 change process, no additional exceptions to the guidance will be implemented without written NRC verification that the criteria in LC 9.4 do not require a license amendment.

[Applicable Amendment: 6]

REFERENCES:

NRC, 2016. U.S. Nuclear Regulatory Commission, Materials License SUA-1601, June 14, 2016, ADAMS Accession No. ML16126A290.

NRC, 2015. Letter from J. Saxton, U.S. Nuclear Regulatory Commission, to M. Griffin, Strata Energy, Inc., Verification of Preoperational License Condition 12.4, September 8, 2015, ADAMS Accession No. ML15209A877.

NRC, 2014a. Letter from D. Persinko, U.S. Nuclear Regulatory Commission, to R. Knode, Strata Energy, Inc., Issuance of Source and Byproduct Materials License SUA-1601 Strata Energy, Inc. Ross ISR Project in Crook County, Wyoming, April 24, 2014, ADAMS Accession No. ML14069A315.

NRC, 2014b. U.S. Nuclear Regulatory Commission, Safety Evaluation Report - License Renewal of the Crow Butte Resources ISR Facility Dawes County, Nebraska Materials License No. SUA-1534, August 14, 2014, ADAMS Accession No. ML14149A433.

Strata, 2015a. Letter from M. Griffin, Strata Energy, Inc., to U.S. Nuclear Regulatory Commission, Submittal of Revised Description of the Qualifications and Responsibilities of a Designee and Strata's Policy on the Work Situations for a Declared Pregnant Worker, License Condition 12.4, July 1, 2015, ADAMS Accession No. ML15195A430.

Strata, 2015b. Letter from M. Griffin, Strata Energy, Inc., to U.S. Nuclear Regulatory Commission, Minor Revision to License, Amendment Request to License Condition 9.7, July 6, 2015, ADAMS Accession No. ML15197A033.

Strata, 2016. Letter from M. Griffin, Strata Energy, Inc., to U.S. Nuclear Regulatory Commission, Change of Licensee Address, October 27, 2016, ADAMS Accession No. ML16315A388.

Strata, 2017. Email from B. Kearney, Strata Energy, Inc., to U.S. Nuclear Regulatory Commission, Requesting Revised Language to License Condition 9.7, February 13, 2017, ADAMS Accession No. ML17044A524.

ENCLOSURE 2
License SUA-1601, Amendment 6