



UNITED STATES
NUCLEAR REGULATORY COMMISSION
 WASHINGTON, D.C. 20555-0001

MAY 2 1997

Mr. John L. Larsen, President
 U.S. Energy Corporation
 877 North 8th West
 Riverton, Wyoming 82501

SUBJECT: RENEWAL OF SOURCE MATERIAL LICENSE SUA-1371, FOR
 PLATEAU RESOURCES LIMITED'S SHOOTARING CANYON URANIUM MILL,
 GARFIELD COUNTY, UTAH

Dear Mr. Larsen:

The U.S. Nuclear Regulatory Commission staff has completed its review of Plateau Resources Limited's (PRL's) amended license renewal application for Source Material License SUA-1371, as submitted by letter dated March 4, 1996. Additional supplements and revisions to the renewal application were provided by letters dated September 16, and November 15, 1996, and April 17, 1997.

The NRC staff determined, in accordance with 10 CFR 51.25, that preparation of an environmental assessment (EA) was necessary to document its review. The NRC staff issued an EA (Enclosure 1) to the public document file on April 22, 1997. Based on its analysis, the NRC staff concluded that the environmental impacts associated with the proposed license action (i.e., renewal of SUA-1371 to allow the resumption of mill operations) were not significant and that the proposed action was acceptable. A final finding of no significant impact (FONSI) was prepared in accordance with 10 CFR 51.32, and, on April 28, 1997, published in the Federal Register (Enclosure 2), providing notice of (1) the NRC's intent to issue the proposed license amendment, (2) the availability of the EA to the public, and (3) an opportunity for hearing for affected individuals.

The NRC staff also reviewed PRL's license renewal application for compliance with the requirements under Title 10 of the Code of Federal Regulations (CFR), Parts 20 and 40, and prepared a Safety Evaluation Report (SER) to document its review. A copy of the SER is provided as Enclosure 3.

Therefore, pursuant to 10 CFR Part 40, Source Material License SUA-1371 is hereby issued to allow the resumption of operations at the Shootaring Canyon uranium mill. The renewal license is provided as Enclosure 4.

With this licensing action, the NRC staff will be authorizing continued mill operations under the Performance-Based License Condition (PBLC) format. However, PRL is required, under License Condition 9.4 of the renewal license, to submit its standard operating procedures (SOPs) for implementing the Safety and Environmental Review Panel (SERP) by June 30, 1997. PRL shall not implement any provision of the PBLC until the NRC has found the proposed SOPs for the SERP acceptable.

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J. Larsen

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The issuance of this renewal license was discussed in a telephone conversation on April 29, 1997, between Mr. Kenneth Webber of your organization and Mr. James Park, the NRC Project Manager for the Shootaring Canyon site. If you have any questions regarding this letter or the enclosures, please contact Mr. Park at (301) 415-6699.

Sincerely,

(Original signed by)

Charles L. Cain, Acting Chief
Uranium Recovery Branch
Division of Waste Management
Office of Nuclear Material
Safety and Safeguards

Docket No. 40-8698
License No. SUA-1371
Case Closed: L51050

Enclosures: As stated (4)

cc w/o enclosures: W. Sinclair, UT
K. Webber, PRL

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