

November 13, 2014

Mr. Michael Griffin
Vice President of Permitting, Regulatory
and Environmental Compliance
Strata Energy, Inc.
P.O. Box 2318
1900 W. Warlow Dr., Bldg A
Gillette, WY 82717

SUBJECT: STAFF'S RESPONSE TO STRATA ENERGY'S LETTERS DATED JULY 16,
2014, AND COMMENT ON DISTANCE TO PERIMETER WELL RING

Dear Mr. Griffin:

By letters dated July 12, 2013, (Agencywide Documents Access and Management System (ADAMS) Accession Nos. ML14205A029 and ML14213A062), Strata Energy, Inc. (Strata) submitted a request for clarification of language in Staff's Safety Evaluation Report (SER; ADAMS Accession No. ML14108A088) and Final Supplemental Environmental Impact Statement (FSEIS; ADAMS Accession No. ML14056A096), respectively. By this letter, Staff is responding to Strata's requests.

Use of Wildlife Escape Ramps in Surface Impoundments

Strata is correct that the FSEIS has an inconsistency with regards to the use of wildlife escape ramps between what is written in Section 4.6.1.2 (Page 4-60) and in Appendix B (Page B-122). The response to the comment states that "[n]o changes were made to the SEIS," indicating that the changes on Page 4-60, specifically the sentence "[m]oreover, wildlife escape ramps would be installed in each surface impoundment," is in error. The comment response also states that "additional mitigation measures could be warranted should the proposed mitigation measures be shown to be insufficient."

Therefore, at the present time, use of wildlife escape ramps is not required at the Ross Project. However, Staff suggests that Strata contemplate using escape ramps as a mitigation measure should the proposed mitigation measures, i.e., fencing and netting, prove ineffective during operations.

Vegetation and Food Sampling

Strata correctly notes that vegetation and food sampling is not required for the operational monitoring program because the maximum dose calculated from pre-operational monitoring,

which included vegetation and food samples, was less than one (1) percent of the regulatory limit.

The FSEIS states in Section 6.2.3 (Page 6-6), "The NRC staff will include a Condition in the Source and Byproduct Materials License that will require the Applicant to establish a plan for verifying the input values used in the MILDOS-Area calculations by monitoring liquid-effluent discharges." However, Strata notes that "[a]ll liquid effluent discharges from the Ross Project will be sent to a Class I UIC deep disposal well and will not result in a pathway to humans."

The FSEIS statement is referring to license condition 12.7. However, in the case of the Ross Project, the effluent discharge to be evaluated by Staff's license condition is the airborne effluents and not liquid effluents. By license condition 12.7, Strata will have to develop and implement a plan to monitor the airborne effluents and confirm that the predictions from the MILDOS-Area analysis are valid. If the monitoring demonstrates that assumptions in the analysis were inaccurate, then additional monitoring, specifically vegetation and food sampling, may be warranted.

For clarification, based on the preoperational monitoring levels and MILDOS model predictions, an operational monitoring of the vegetation and food was not required; however, should the future operational monitoring program for airborne effluents demonstrate that the input values to the MILDOS model are not correct, Strata may be required to implement additional monitoring including vegetation and food sampling.

Construction in the Flood Plain

Strata requests a clarification that construction of wells in a 100-year flood plain is allowed. Strata discusses a perceived inconsistency in the language of the SER between Section 2.3.3, which states "[t]he applicant commits to using erosion control ... should [wells] be placed in the flood plain," and Section 3.1.3.7, which states "[t]he applicant commits to avoiding [100-year flood event inundation] areas when construction any facility including wells."

Strata fails to differentiate between the 100-year flood plain as discussed in Section 2.3.3 and the inundation areas that are generally limited to the "existing, deeply incised channels" discussed in Section 3.1.3.7; it is in the latter case to which the Staff is referring with the statement that the applicant commits to avoiding "those areas." Staff based this commitment on Section 7.1.6.1 of the approved application, which states:

"ISR wells will not be constructed in stream channels, but it might be necessary to install some wells within the 100-year floodplain."

Based on that statement, Staff believes the SER discussions are accurate and consistent, that the applicant commits to not installing wells within stream channels, but if the 100-year flood plain includes an over-bank area, wells could be installed in this portion of the flood plain with proper protection.

Perimeter Well Ring less than 400 feet from the Production Area

During the recent Atomic Safety and Licensing Board hearing in Gillette, Wyoming, representatives from Strata suggested that portions of the perimeter well ring could be installed at distances less than 400 feet; specifically, a distance of 200 feet was mentioned. Please note that this occasion was the first that Staff was aware of this design change. Please be aware that Staff did not evaluate the perimeter well ring at this distance for the Safety Evaluation Report and, if Strata were to make such a change, Strata would have to submit an amendment request to the NRC for Staff's approval.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," 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 the NRC's Agencywide Documents Access and Management System. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions, please contact me at 301-415-0697 or by e-mail at John.Saxton@nrc.gov.

Sincerely,

/RA/

John Saxton, Project Manager
Uranium Recovery Licensing Branch
Division of Decommissioning, Uranium Recovery,
and Waste Programs
Office of Nuclear Material Safety
and Safeguards

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

During the recent Atomic Safety and Licensing Board hearing in Gillette, Wyoming, representatives from Strata suggested that portions of the perimeter well ring could be installed at distances less than 400 feet; specifically, a distance of 200 feet was mentioned. Please note that this occasion was the first that Staff was aware of this design change. Please be aware that Staff did not evaluate the perimeter well ring at this distance for the Safety Evaluation Report and, if Strata were to make such a change, Strata would have to submit an amendment request to the NRC for Staff's approval.

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If you have any questions, please contact me at 301-415-0697 or by e-mail at John.Saxton@nrc.gov.

Sincerely,

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John Saxton, Project Manager
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