



406 W. 4th Street • P.O. Box 2318
Gillette, WY 82717-2318
(307) 686-4066

January 4, 2011

United States Nuclear Regulatory Commission
Attn: Mr. Keith McConnell, 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
Washington, D.C. 20555-0001

Dear Mr. McConnell:

By this letter, Strata Energy, Inc. (Strata), a United States-based, wholly owned subsidiary of Peninsula Energy, Ltd. (Peninsula) submits this combined source and 11e.(2) byproduct material license application to the United States Nuclear Regulatory Commission (NRC) Staff requesting authorization to construct and operate its proposed Ross in situ leach uranium recovery (ISR) project site to be located near Oshoto in the State of Wyoming.

On October 26-28, 2010, NRC Staff attended a meeting at the proposed Ross ISR site, during which meeting NRC Staff conducted a detailed review of and offered comments regarding the quality of Strata's draft license application. Based on those comments, additional data gathering and analysis conducted by Strata, and pursuant to NRC regulations at 10 CFR Part 40, its Appendix A Criteria, and applicable guidance (e.g., NUREG-1569 entitled *Standard Review Plan for In Situ Leach Uranium Extraction License Applications*), Strata's completed license application contains the following items: (1) NRC Form 313; (2) a technical report (TR); (3) an environmental report (ER) prepared pursuant to NUREG-1748 entitled *Environmental Review Guidance for Licensing Actions Associated with NMSS Programs*; and (4) additional addenda and reports related to the aforementioned TR and ER. Three bound copies of the primary documents and supporting addenda are being provided along with DVDs in each copy of the ER and TR. The DVDs contain complete files (primary text and addenda) in Adobe PDF format that meet the NRC requirements for electronic submittals including optical character recognition (OCR), a resolution of 300 dpi and embedded fonts. Preparation of the electronic files has been conducted in coordination with Mr. Kenny Nguyen, IT Specialist/Project Officer with the NRC. In addition, TR Addendum Volume 3 includes a stand-alone restoration action plan (RAP) prepared in accordance with the Commission-approved format used by Hydro Resources, Inc. (HRI) for its proposed Crownpoint Uranium Project (CUP). Strata believes that

FSME21

the contents of this license application will provide NRC Staff with sufficient detail on technical and environmental issues to satisfy its acceptance review requirements so that detailed technical and environmental review can be conducted with minimal requests for additional information (RAI).

As discussed at the October 26-28 2010 Ross site visit, Strata's license application requires the submission of limited additional data for several items including passive gamma (TLDs), passive radon (radon cups), radionuclides in particles (air particulates) and meteorology. The additional TLD, radon cup and air particulate data and analysis will be provided in an updated TR Addendum 2.9-D, while final met data will be provided in an updated ER Addendum 3.6-B. Strata is confident that its license application satisfies NRC Staff acceptance review requirements and commits to submitting these additional data to NRC Staff no later than February 22, 2011.

Strata has prepared its license application in accordance with appropriate regulations and guidance as understood by the uranium recovery industry. In addition, Strata has also reviewed each of the RAIs provided to previous ISR license applicants to ensure that the information requested is included in the enclosed data sets and analyses. Further, while this license application contains the typical reports and analyses for proposed ISR projects, Strata is providing discussion in this letter regarding additional items mentioned above that have been included for NRC Staff's review.

Restoration Action Plan

As a general matter, NRC Staff requires that ISR license applicants provide detailed plans for restoration and site decommissioning and decontamination (D&D), including financial assurance cost estimates for the first year of construction and operations. Typically, the items required for groundwater restoration and site D&D have been found in various sections in NUREG-1569 and other guidance and not in a stand-alone section or appendix. As a result, this format forces NRC Staff reviewers specializing in site D&D and financial assurance to review an entire license application to selectively locate items associated with groundwater restoration and site D&D, including financial assurance cost estimates. In an effort to facilitate a more efficient review process, Strata has adopted the Commission-approved RAP approach employed by HRI for its proposed CUP as part of its license application. The HRI RAP approach was utilized for the CUP beginning in 2001 for each of HRI's four proposed ISR project sites and approved by NRC Staff, the Commission, and the United States Court of Appeals for the Tenth Circuit.¹ Strata's RAP includes a preliminary site D&D plan and initial financial assurance cost estimates based on data and analyses available to date in the format used by HRI, as well as additional information and cost estimates reflecting the Commission-approved revisions to the HRI RAPs and additional guidance from NRC Staff taken from NUREG-1569 and other sources. Strata's RAP has been included in its license application as Addendum 6.1-A of the TR.

Detailed Geologic and Hydrologic Models

As discussed with NRC Staff at the aforementioned October 26-28 2010 Ross site visit, Strata has prepared a detailed hydrologic model that provides NRC Staff with the ability to

¹ See *Morris v. U.S. Nuclear Regulatory Com'n*, 598 F.3d 677 (10 Cir. 2010).

review scenarios on groundwater movement at the proposed Ross ISR site. In addition to the brief overview presented to NRC Staff at the aforementioned site visit, Strata's license application provides NRC Staff with the ability to use the model to better understand the subsurface conditions at the proposed Ross ISR site based on the best available data. Detailed descriptions of model verification and simulations are contained in Addendum 2.7-H of the TR which includes a CD containing a word document describing model files and their function.

License Condition for Toll Milling of Uranium Water Treatment Resins

In addition to addressing NRC requirements for licensing new ISR project sites, Strata is requesting a license condition allowing it to process uranium-loaded ion-exchange (IX) resins from water treatment operations such as drinking water, mine de-watering, and other similar operations provided that three conditions are satisfied: (1) the IX resins proposed for processing are essentially the same as those used by Strata during licensed operations and do not contain any anomalous constituents; (2) the processing of such IX resins would not require material changes to the proposed Ross ISR site's CPP operation processes and (3) the processing of such IX resins would not exceed the proposed Ross ISR site's annual yellowcake production limit. To this end, Strata's license application includes additional technical and environmental data and analyses related to the transportation of such resins to the proposed Ross ISR site. Strata's application is based on NRC Staff conclusions pertaining to RMD Operations, LLC license application and the license amendment application and findings for Power Resources, Inc.'s Smith Ranch ISR facility. Strata believes that this information, along with the detailed technical and environmental analyses provided for the construction and operation of the proposed Ross ISR site, provides NRC Staff with sufficient foundation for issuance of such a license condition. Given that the processing of these resins for introduction into the nuclear fuel cycle rather than the direct disposal of such resins as waste is in the national interest for domestic energy security and interdependence, Strata believes that issuance of such a license condition is warranted.

10 C.F.R. § 2.390(a) Affidavits for Withholding of Information from Public Disclosure

Strata's license application includes an affidavit prepared pursuant to 10 CFR § 2.390(a) regarding withholding of confidential information from public disclosure. In this affidavit, Strata is seeking to protect two classes of information from public disclosure: (1) historic and cultural resource information under 10 CFR § 2.390(a)(3) as information required to be protected by statute² and (2) CPP design and process-related plans to be protected under 10 CFR § 2.390(a)(4) as proprietary business information.³ In addition to the affidavit, Strata has complied with the 10 CFR § 2.390(a) requirement that all pages of documents sought to be withheld from public disclosure are submitted with the required labels in the top right corner of each page. In the event

² More specifically, 10 CFR § 2.390(a)(3) states that information may be withheld from public disclosure if it is

“Specifically exempted from disclosure by statute (other than 5 U.S.C. 552(b)), but only if that statute requires that the matters be withheld from the public in such a manner as to leave no discretion on the issue, or establishes particular criteria for withholding or refers to particular types or matters to be withheld.”

³ 10 CFR § 2.390(a)(4) states that information may be withheld from public disclosure if it is: “Trade secrets and commercial or financial information obtained from a person and privileged or confidential.”

that NRC Staff deems any of the information identified for withholding from public disclosure as not meeting Part 2.390's requirements, Strata respectfully requests immediate notification of such a decision prior to disclosure of such information.

Strata appreciates the opportunity to submit its license application, and looks forward to working with NRC Staff in the near future to ensure that Strata's requested license as issued is adequately protective of public health and safety and the environment. If you have any questions, please do not hesitate to contact me at your convenience. Thank you for your time and consideration in this matter.

Respectfully Submitted,



Anthony Simpson
Chief Operating Officer
Strata Energy, Inc.

CP/BJS/MB
Enclosures, as noted

STRATA ENERGY, INC.

**AFFIDAVIT OF ANTHONY SIMPSON, CHIEF OPERATING OFFICER,
STRATA ENERGY, INC.**

1. **My name is Anthony Simpson and I am the Chief Operating Officer for Strata Energy, Inc. (Strata). I am authorized to execute this affidavit on behalf of Strata and may bind Strata to the statements contained herein;**
2. **This affidavit is attached to Strata's submission of an application to the United States Nuclear Regulatory Commission (NRC) for a combined source and 11e.(2) byproduct material license for its proposed in situ leach uranium recovery (ISR) project to be located near Oshoto in the State of Wyoming;**
3. **As part of its license application, Strata submitted a Technical Report (TR) and an Environmental Report (ER) that include data, information, and other items that qualify for withholding pursuant to 10 CFR § 2.390;**
4. **Portions of the license application submitted by Strata include cultural resources information that could be misused by unscrupulous artifact collectors to disturb archaeological or other historic and cultural sites and that should be subject to protection from public disclosure pursuant to 10 CFR § 2.390(a)(3):**
 - i. **Pursuant to NRC regulations at 10 CFR § 2.390, Strata has labeled the relevant pages of its license application, including its TR and ER, that pertain to historic and cultural resource sites requiring protection from public disclosure with the mandatory statement: "10 CFR Section 2.390(a)(3); Privileged and Confidential;"**
 - ii. **The following volumes and pages of Strata's TR and ER contain information relating to historic and cultural resource sites requiring protection from public disclosure, and Strata hereby requests that such volumes and pages be withheld from public disclosure:**
 - iii. **The portions of the ER requested to be withheld from public disclosure:**

ER ADDENDUM 3.8-A entitled *Class III Cultural Resource Inventory of Strata Energy's Proposed Ross ISR Project, Crook County, Wyoming*, dated October 2010.

5. Portions of the license application submitted by Strata also include confidential and/or proprietary business information that could be misused and exploited by other companies or individuals and that should be subject to protection from public disclosure pursuant to 10 CFR § 2.390(a)(4):

- i. Pursuant to NRC regulations at 10 CFR § 2.390, Strata has labeled pages of its license application, including its TR and ER, that pertain to confidential and/or proprietary business information requiring protection from public disclosure with the mandatory statement: “10 CFR Section 2.390(a)(4); Privileged and Confidential;”**
- ii. The following relevant volumes and pages of Strata’s TR and ER contain information relating to confidential and/or proprietary business information requiring protection from public disclosure, and Strata hereby requests that such volumes and pages be withheld from public disclosure:**
- iii. The portions of the TR requested to be withheld from public disclosure are propriety plant design and process information as indicated in the Table below:**

TR Chapter	TR Figure I.D.	Figure Caption
3	Figure 3.2-1	Conceptual General Arrangement
	Figure 3.2-2	Complete Process Flow Diagram
	Figure 3.2-3	IX Area Flowsheet
	Figure 3.2-4	Eluant and 1st Stage Precipitation Flowsheet
	Figure 3.2-5	2nd Stage Precipitation Flowsheet
	Figure 3.2-6	Yellowcake Drying and Packaging Flowsheet
	Figure 3.2-7	Proposed Vanadium Recovery Flowsheet
	Figure 3.3-1	Preliminary CPP Monitoring Point Locations
5	Figure 5.7-1	Conceptual General Arrangement HVAC/Ventilation Arrangement
	Figure 5.7-2	Yellowcake Product Area Flowsheet
	Figure 5.7-3	Yellowcake Packaging Drum Loading Components
	Figure 5.7-4	Restricted and Controlled Area with Liquid Containment
	Figure 5.7-5	General Arrangement with Radiological Survey Plan
	Figure 5.7-6	General Arrangement Contamination Survey Locations

6. For the following reasons, Strata asserts that the aforementioned volumes and pages of its TR and ER regarding historic and cultural resources and confidential and/or proprietary business information should be withheld from public disclosure as privileged and confidential information:

- i. The data and information contained in the above-mentioned portions have been held in confidence by Strata. Strata does not provide such information to public or private entities;**
- ii. The data and information contained in the above-mentioned portions of the TR and ER are customarily held in confidence by businesses and other organizations seeking to protect information related to certain historic and cultural resources or confidential and/or proprietary business information;**
- iii. The data and information contained in the above-mentioned portions of the TR and ER are being transmitted to NRC Staff in the attached license application in confidence. Indeed, any such data and information shown to NRC Staff were only revealed in a non-public context;**
- iv. The data and information regarding historic and cultural resources or confidential and/or proprietary business information listed in Strata's license application are not available in any public sources;**
- v. Release of the data and information contained in the above-mentioned portions of the TR and ER may cause substantial harm to cultural resources on private and public property or Strata as a corporate entity for the following reasons:**
 - a. Certain individuals may use the information to unlawfully collect cultural artifacts for personal use; and**
 - b. The Wyoming State Historic Preservation office is responsible for the study and protection of cultural sites and artifacts and will be issued a full report detailing the location(s) and artifact(s) discovered;**
 - c. Confidential and/or proprietary information deal with ore grade and other items that typically are used for development of corporate strategies and negotiations.**

(3-2009)
10 CFR 30, 32, 33,
34, 35, 36, 39, and 40

Estimated burden per response to comply with this mandatory collection request: 4.3 hours. Submittal of the application is necessary to determine that the applicant is qualified and that adequate procedures exist to protect the public health and safety. Send comments regarding burden estimate to the Records and FOIA/Privacy Services Branch (T-5 F53), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by internet e-mail to infocollects.resource@nrc.gov, and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202, (3150-0120), Office of Management and Budget, Washington, DC 20503. If a means used to impose an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

APPLICATION FOR MATERIALS LICENSE

INSTRUCTIONS: SEE THE APPROPRIATE LICENSE APPLICATION GUIDE FOR DETAILED INSTRUCTIONS FOR COMPLETING APPLICATION. SEND TWO COPIES OF THE ENTIRE COMPLETED APPLICATION TO THE NRC OFFICE SPECIFIED BELOW.

APPLICATION FOR DISTRIBUTION OF EXEMPT PRODUCTS FILE APPLICATIONS WITH:

OFFICE OF FEDERAL & STATE MATERIALS AND ENVIRONMENTAL MANAGEMENT PROGRAMS
DIVISION OF MATERIALS SAFETY AND STATE AGREEMENTS
U.S. NUCLEAR REGULATORY COMMISSION
WASHINGTON, DC 20555-0001

ALL OTHER PERSONS FILE APPLICATIONS AS FOLLOWS:

IF YOU ARE LOCATED IN:

ALABAMA, CONNECTICUT, DELAWARE, DISTRICT OF COLUMBIA, FLORIDA, GEORGIA, KENTUCKY, MAINE, MARYLAND, MASSACHUSETTS, NEW HAMPSHIRE, NEW JERSEY, NEW YORK, NORTH CAROLINA, PENNSYLVANIA, PUERTO RICO, RHODE ISLAND, SOUTH CAROLINA, TENNESSEE, VERMONT, VIRGINIA, VIRGIN ISLANDS, OR WEST VIRGINIA, SEND APPLICATIONS TO:

LICENSING ASSISTANCE TEAM
DIVISION OF NUCLEAR MATERIALS SAFETY
U.S. NUCLEAR REGULATORY COMMISSION, REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19406-1415

IF YOU ARE LOCATED IN:

ILLINOIS, INDIANA, IOWA, MICHIGAN, MINNESOTA, MISSOURI, OHIO, OR WISCONSIN, SEND APPLICATIONS TO:

MATERIALS LICENSING BRANCH
U.S. NUCLEAR REGULATORY COMMISSION, REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, IL 60532-4352

ALASKA, ARIZONA, ARKANSAS, CALIFORNIA, COLORADO, HAWAII, IDAHO, KANSAS, LOUISIANA, MISSISSIPPI, MONTANA, NEBRASKA, NEVADA, NEW MEXICO, NORTH DAKOTA, OKLAHOMA, OREGON, PACIFIC TRUST TERRITORIES, SOUTH DAKOTA, TEXAS, UTAH, WASHINGTON, OR WYOMING, SEND APPLICATIONS TO:

NUCLEAR MATERIALS LICENSING BRANCH
U.S. NUCLEAR REGULATORY COMMISSION, REGION IV
612 E. LAMAR BOULEVARD, SUITE 400
ARLINGTON, TX 76011-4125

PERSONS LOCATED IN AGREEMENT STATES SEND APPLICATIONS TO THE U.S. NUCLEAR REGULATORY COMMISSION ONLY IF THEY WISH TO POSSESS AND USE LICENSED MATERIAL IN STATES SUBJECT TO U.S. NUCLEAR REGULATORY COMMISSION JURISDICTIONS.

1. THIS IS AN APPLICATION FOR (Check appropriate item)

- A. NEW LICENSE
- B. AMENDMENT TO LICENSE NUMBER _____
- C. RENEWAL OF LICENSE NUMBER _____

2. NAME AND MAILING ADDRESS OF APPLICANT (Include ZIP code)

Strata Energy, Inc
P.O. Box 2318
Gillette, WY 82716

3. ADDRESS WHERE LICENSED MATERIAL WILL BE USED OR POSSESSED

Rural area surrounding Oshoto, Wyoming including portions of Sections 7, 18 and 19 of Township 53 North, Range 67 West and portions of Sections 12, 13 and 24 of Township 53 North, Range 68 West

4. NAME OF PERSON TO BE CONTACTED ABOUT THIS APPLICATION

Mr. Anthony (Tony) Simpson

TELEPHONE NUMBER

(307) 686-4066

SUBMIT ITEMS 5 THROUGH 11 ON 8-1/2 X 11" PAPER. THE TYPE AND SCOPE OF INFORMATION TO BE PROVIDED IS DESCRIBED IN THE LICENSE APPLICATION GUIDE.

5. RADIOACTIVE MATERIAL
a. Element and mass number; b. chemical and/or physical form; and c. maximum amount which will be possessed at any one time.

6. PURPOSE(S) FOR WHICH LICENSED MATERIAL WILL BE USED.

7. INDIVIDUAL(S) RESPONSIBLE FOR RADIATION SAFETY PROGRAM AND THEIR TRAINING EXPERIENCE.

8. TRAINING FOR INDIVIDUALS WORKING IN OR FREQUENTING RESTRICTED AREAS.

9. FACILITIES AND EQUIPMENT.

10. RADIATION SAFETY PROGRAM.

11. WASTE MANAGEMENT.

12. LICENSE FEES (See 10 CFR 170 and Section 170.31)

FEE CATEGORY **11500** AMOUNT ENCLOSED \$ **0.00**

13. CERTIFICATION. (Must be completed by applicant) THE APPLICANT UNDERSTANDS THAT ALL STATEMENTS AND REPRESENTATIONS MADE IN THIS APPLICATION ARE BINDING UPON THE APPLICANT.

THE APPLICANT AND ANY OFFICIAL EXECUTING THIS CERTIFICATION ON BEHALF OF THE APPLICANT, NAMED IN ITEM 2, CERTIFY THAT THIS APPLICATION IS PREPARED IN CONFORMITY WITH TITLE 10, CODE OF FEDERAL REGULATIONS, PARTS 30, 32, 33, 34, 35, 36, 39, AND 40, AND THAT ALL INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF.

WARNING: 18 U.S.C. SECTION 1001 ACT OF JUNE 25, 1948 62 STAT. 749 MAKES IT A CRIMINAL OFFENSE TO MAKE A WILLFULLY FALSE STATEMENT OR REPRESENTATION TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES AS TO ANY MATTER WITHIN ITS JURISDICTION.

CERTIFYING OFFICER -- TYPED/PRINTED NAME AND TITLE
Anthony (Tony) Simpson, Chief Operating Officer

SIGNATURE

DATE

12/23/2010

FOR NRC USE ONLY

TYPE OF FEE	FEE LOG	FEE CATEGORY	AMOUNT RECEIVED	CHECK NUMBER	COMMENTS
			\$		
APPROVED BY				DATE	

Extremely Urgent

This envelope

LTR 1 OF 1

FROM:
SCHIFFER
672-0761
ENGINEERING
TERRA AVENUE
RIDAN WY 82801

1Z81197X0174051042

SHIP TO:
MR. STEPHEN COHEN
US NUCLEAR REGULATORY COMMISSION
OFFICE OF FEDERAL & STATE MATERIALS
MAILSTOP T8F5

SHIP TO:

04/Jan/2011 06:55 02049

US NUCLEAR REGULATORY COM
11555 ROCKVILLE PIKE
ROCKVILLE MD 20852 2739

MD 207 9-78



1Z81197X0174051042

US NUCLEAR REGULATORY COM
11555 ROCKVILLE PIKE

ROCKVILLE MD 20852-2739

P: 5 S: MGREEN I: 533

533-1060

1Z81197X017405 1042

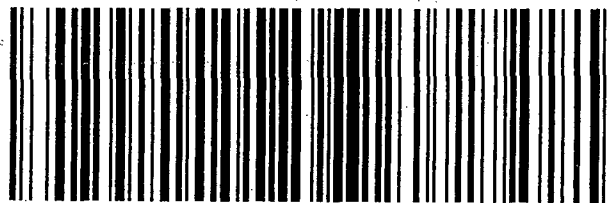
1030

KDY9YSX M0BUR166 Jan 05 00:01:24 2011
US 2003 HTP 10.1.2 LP2044

UPS NEXT DAY AIR

TRACKING #: 1Z 811 97X 01 7405 1042

1



BILLING: P/P

UPS NEXT DAY AIR

TRACKING #: 1Z 811 97X 01 7405 1042

1



SHIP TO:

US NUCLEAR REGULATORY COM
11555 ROCKVILLE PIKE
ROCKVILLE MD 20852 2739

MD 207 9-78

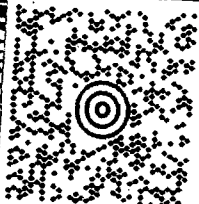
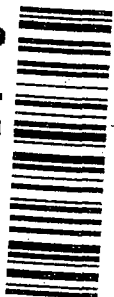


1Z81197X0174051042

04/Jan/2011 06:55 02049

US NUCLEAR REGULATORY COM
11555 ROCKVILLE PIKE
ROCKVILLE MD 20852 2739

MD 207 9-78



TO:

100% Recycled fiber
80% Post-Consumer

10

ed

171604 REV.12/09 FD