



State of Utah

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Department of
Environmental Quality

Amanda Smith
Executive Director

DIVISION OF RADIATION CONTROL
Rusty Lundberg
Director

February 5, 2014

Scott Schierman
Radiation Safety Officer
907 North Poplar, Ste. 260
Casper, Wyoming 82601

Rod Grebb
Vice President of Regulatory Affairs
P.O. Box 18041
Golden, Colorado 80402

RE: Radioactive Material License Number UT 0900480: Request for Additional Information for Transfer of Control from Uranium One Americas, Inc. to Black Range Minerals Utah, LLC

Dear Mr. Schierman and Mr. Grebb:

On January 14, 2014, Uranium One Americas, Inc. (Uranium One) and Black Range Mineral Utah, LLC (Black Range) submitted a request to transfer control of Radioactive Materials License (RML) No. UT0900480 and Groundwater Discharge Permit No. UGW170003 from Uranium One to Black Range. On January 20, 2014, additional information for the transfer was submitted.

The Utah Division of Radiation Control has reviewed the information provided in the above referenced submittals and has determined additional information is required. Found below are the requirements regarding transfer of control for the Shooting Canyon Uranium Mill facility, including the needed additional information that is required to complete the review.

1. Provide a complete description of the transaction (transfer of stocks or assets, or merger). Indicate whether the name has changed and include the new name. Include the name and telephone number of a licensee contact who DRC may contact if more information is needed.

Provide contact information including the name and telephone numbers of the person(s) responsible for the Mill oversight, engineering, groundwater compliance and Radiation Safety oversight. Also include the address and telephone number of the Mill.

Provide the address you would like to use on the License. This can be the corporate office or the

Mill address.

2. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel.

Provide information on the personnel assigned to maintain the Mill. Include a brief description of their duties and documentation of their radiation safety training.

Provide the training documentation for the Corporate Radiation Safety Officer (CRSO) and the Assistant Radiation Safety Officer (ARSO) as required by the existing License Condition 9.10.

The request for transfer of control shows that the CRSO and the ARSO will be consultants. Provide answers to the following questions for facilities that have consultant Radiation Safety Officers and personnel.

- A. Describe the control over the radiation safety program that will be delegated so that the consultant Radiation Safety Officer (Consultant - RSO) will be able to exercise his/her authority over authorized users when confronted with radiation safety problems that require implementation of corrective actions.
- B. Describe the relationship that will exist between the Consultant - RSO and the licensee's institutional management regarding expenditure of funds to facilitate the objectives of the licensee's radiation safety program and related regulatory requirements.
- C. Identify other commitments of the Consultant - RSO for other NRC or Agreement State licensed facilities, and describe how the Consultant - RSO will allocate time to permit the performance of the duties of the RSO as described in the regulations or license application. State the Consultant - RSO's minimum amount of onsite time (hours per week).
- D. Appoint a licensee representative who will serve as the point of contact during the RSO's absence. It may be prudent to appoint a representative of executive management who speaks with authority when interacting with the regulatory agency, has the authority to act on the Consultant's findings, and is allowed to assist the Consultant - RSO who has limited authority.
- E. Describe the overall availability of the Consultant - RSO to respond to questions or operational issues that arise during the conduct of the licensee's radiation safety program and related regulatory requirements. What is the maximum amount of time that it will take the Consultant - RSO to arrive at the facility in the event of an emergency that requires his/her presence?

3. Describe any changes in the organization, location, facilities, equipment or procedures that relate to the licensed program.

Provide the date when all standard operating procedures, Tailings Reclamation and Decommission plan, and other site plans will be revised with the new owner's name and letter head and submitted to the regulatory agency.

4. Describe the status of the surveillance program (surveys, wipe tests, quality control) at the present time and the expected status at the time that control is to be transferred.

Information provided in the submittals met these requirements; therefore, no additional information is required.

5. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to DRC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.

Before licensed activities are transferred or assigned in accordance with Subsection R313-19-34(2), licensees shall transfer all records described in Subsections R313-22-35(7)(a) through (d) to the new licensee. In accordance with R313-22-35(7), persons licensed under Rule R313-22 shall keep records of information important to the decommissioning of a facility in an identified location until the site is released for unrestricted use. In this case, the new licensee will be responsible for maintaining these records until the license is terminated. Please provide a commitment that the required records will be transferred to the new owners and when this transfer will take place.

The Uranium One Semi-Annual Effluent Monitoring Report for the First Half of 2013, dated July 1, 2013 discusses air monitoring and groundwater monitoring. However, it does not discuss fixed and removable contamination. Provide documentation for the Mill of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity. Describe any contamination and confirm that the transferee is knowledgeable of the extent and levels of contamination and applicable decommissioning requirements.

Provide a commitment to adopt the currently approved Tailings Reclamation and Decommissioning Plan for the Shootaring Canyon facility.

6. Confirm that the transferee will abide by all constraints, conditions, requirements and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.

Information provided in the submittals met these requirements; therefore, no additional information is required.

7. Surety requirements including financial surety arrangements

Provide legal documentation and/or the date of the surety instrument being funded.

If your request for transfer of control is approved, the following changes will be done to the RML:

License Condition 1: The licensee name will be changed from Uranium One Americas Inc. to Black Range Minerals Utah, LLC

Basis for change: The transfer of control will require a name change.

License Condition 2: New address

Basis for change: Black Range Minerals Utah, LLC has different offices than Uranium One.

License Condition 3: If approved the license amendment will be amendment #7

Basis for change: To document which RML amendment the change of control was done under.

License Condition 4: Need to grant an extension to the expiration date.

Basis for change: The current expiration date is April 30, 2014. According the State rule the new owner will need to submit a renewal application by March 31, 2014. The transfer of control will likely not be completed by March 31, 2014. Therefore, the new owner will need time to complete the renewal application.

Black Range also requested a 36-month extension in the January 14 and 20, 2014 letters. Also in the information provided in the January 20, 2014 letter, Black Range officials indicated that they want to have the Mill operational by 2016. In an email dated January 23, 2014, the DRC informed both Uranium One and Black Range that the renewal extension cannot go beyond 2016. If your request for transfer of control is approved, the following will be added as a new license condition:

New License Condition 9.12: Black Range Minerals Utah, LLC will be able to renew the Shootaring Canyon Uranium Mill's RML. The renewal application will need to be submitted on or before January 1, 2015.

A. The renewal application will need to include an operational feasibility study to be performed on the Shootaring Canyon Uranium Mill to demonstrate that the Mill can be renovated and operated for an extended period of time. The licensee shall use IAEA document "Guidebook on the development of projects for uranium mining and ore processing" (IAEA-TECDOC-595) to perform this analysis.

B. The renewal application shall have a complete description of all renovations and improvements to the Shootaring Canyon Mill that will be needed to return the Mill to operational status.

1) All renovations and improvements shall be constructed with Best Available Technology and shall be approved by the DRC prior to the Mill becoming operational as per R313-22-

33. Financial surety must be adjusted and approved accordingly for the renovations before operations commence, per 10 CFR 40 Appendix A Criterion 9(f).

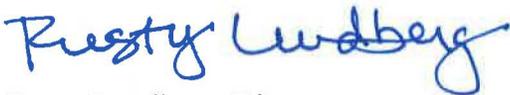
2) The RML renewal application shall be submitted and approved prior to operational status of the Mill is approved.

C. The renewal application shall complete an environmental analysis as per UAC R313-24-3 to include all renovations, improvements and estimated activities to be done at the Shootaring Canyon Mill.

Basis for new License Condition: To document that Black Range Minerals Utah, LLC will be allowed to renew the Shootaring Canyon Uranium Mill and to document the expectations of the DRC for that renewal.

If you have any questions regarding this letter please contact Ryan Johnson at 801-536-4250.

Sincerely,



Rusty Lundberg, Director

RL:RJ/rj

