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**NRC, BLM AND BIA ISSUE FINAL ENVIRONMENTAL IMPACT STATEMENT
ON PROPOSED NEW MEXICO MINING PROJECT**

The U.S. Nuclear Regulatory Commission staff, in cooperation with the U.S. Bureau of Land Management and the U.S. Bureau of Indian Affairs, has issued a final environmental impact statement in a report on the proposal by Hydro Resources, Inc. (HRI) to construct and operate the Crownpoint Uranium Solution Mining Project in New Mexico.

The report concludes that, with the imposition of certain conditions, the appropriate action is to issue the requested license and leases authorizing Hydro Resources to proceed with the project. In July the NRC expects to issue its safety evaluation report, which will describe the staff's review of radiological safety aspects of the proposed project and present the staff's conclusions as to whether, from a safety perspective, the license should be issued to Hydro Resources.

The project would be located near the towns of Church Rock and Crownpoint, in McKinley County northeast of Gallup. It would involve a process known as in-situ leach uranium mining, or solution mining.

In the in-situ mining process, wells are drilled into rock formations containing uranium ore. Water, with added oxygen and sodium bicarbonate, is injected down the wells to mobilize the uranium in the rock so that it is picked up and pumped to the surface, where a processing plant separates the uranium from the solution. Once it is dried, the resulting uranium, known as "yellowcake," is packaged in drums and transported off-site to processing plants for conversion into fuel for nuclear reactors.

Hydro Resources, which plans to use a complex pattern of injection and recovery wells drilled into the ore zone, would have to conduct its operations in compliance with a license issued by the NRC and minerals operating leases issued for Federal and Indian lands by the Bureau of Land Management and Bureau of Indian Affairs. The NRC license would contain any

conditions that the NRC decides are necessary to govern the applicant's operations.

A draft environmental impact statement on Crownpoint was published for public comment in October 1994. The final report reflects consideration of comments received, as well as additional information obtained from the applicant.

The NRC also offered an opportunity for a public hearing on the proposed project. Eight petitioners requested a hearing: Zuni Mountain Coalition, Bernadine Martin, Water Information Network, Dine' CARE, Southwest Research and Information Center, Mervyn Tilden, Grace and Marilyn Sam, and Eastern Navaho Dine' Against Uranium Mining, Inc.

An NRC Atomic Safety and Licensing Board (ASLB) Panel member, B. Paul Cotter, Jr., was appointed to rule on the petitions and serve as presiding officer if a hearing is held. Both the environmental impact statement and the safety evaluation report would be considered in the proceeding.

In September 1995, Judge Cotter indicated that he will not decide whether to grant the petitions for a hearing until the NRC technical staff completes its review of HRI's license application, issues the final environmental impact statement and safety evaluation report, and decides whether it supports granting or denying the license application.

Copies of the final environmental impact statement may be obtained by writing to the NRC Publications Section, Attention: Superintendent of Documents, U.S. Government Printing Office, P.O. Box 37082, Washington, DC 20013-7082. A copy is also available for copying at the NRC Public Document Room, 2120 L Street, N.W., Washington, DC.

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