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NRC ISSUES LICENSE TO HYDRO RESOURCES FOR URANIUM MINING PROJECT IN NEW MEXICO

The Nuclear Regulatory Commission has issued a license to Hydro Resources, Inc. (HRI) to construct and operate the Crownpoint Uranium Solution Mining Project in New Mexico.

The project will involve the extraction of uranium at three sites, located near the towns of Church Rock and Crownpoint, in McKinley County northeast of Gallup. It will use 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 can be 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 other processing plants for conversion into fuel for nuclear reactors.

The license was issued subject to certain conditions, including the requirements that, before HRI begins mining uranium, it must (1) obtain necessary permits, including permits from the U.S. Environmental Protection Agency and the State of New Mexico, and reach agreements for emergency incident response with local authorities, the fire department, medical facilities, and other emergency services; (2) replace the existing water supply wells of the Navajo Tribal Utility Authority and the Bureau of Indian Affairs near Crownpoint, (3) complete designs for wastewater management ponds; and (4) establish an NRC-approved financial surety arrangement to ensure adequate funds for site decommissioning, reclamation and groundwater restoration at the end of the project's life.

Before issuing the license, the NRC conducted safety and environmental reviews of HRI's application. In December the agency issued a safety evaluation report in which it concluded that, if specified conditions are met, issuance of the license will not be inimical to public health and safety or to the common defense and security, and will meet the requirements of NRC regulations and the Atomic Energy Act.

Earlier the NRC, in cooperation with the U.S. Bureau of Land Management and the U.S. Bureau of Indian Affairs, published an environmental impact statement on the

proposed project. It concluded that the proposed project is environmentally acceptable, and that potential impacts of the project could be mitigated. The mitigative measures are included as conditions to the license.

The license is valid for five years from its effective date of January 5.

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