



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

August 23, 2001

Mr. Michael L. Griffin
Manager of Environmental
and Regulatory Affairs
Crow Butte Resources, Inc.
86 Crow Butte Road
Post Office Box 169
Crawford, NE 69339-0169

SUBJECT: DOCKET NO. 40-8943, MATERIALS LICENSE SUA-1534

Dear Mr. Griffin:

I am responding to your letter dated July 16, 2001, in which you requested that I review the Nuclear Regulatory Commission's (NRC's) June 22, 2001, response to Crow Butte's January 30, 2001, letter. Your letter indicated that our June 22, 2001, letter did not adequately address your contention that staff's review was redundant because the environmental impacts associated with your recent amendment request had previously been examined in other licensing documents and found acceptable. As a result, you are disputing the fee assessed for this effort.

I have re-examined your past contentions and our responses, and the additional information provided in your July 16, 2001, letter. I agree with you that the information provided by the Office of Nuclear Materials Safety and Safeguards in NRC's June 22, 2001, letter and enclosure did not adequately address your concern that the recently completed ground-water restoration goal license amendment was redundant and unnecessary. I also re-examined my staff resources that were expended on this amendment and find that these review efforts duplicated a prior NRC review that took place in 1989.

NRC's 1989 Environmental Assessment and the Finding of No Significant Impact statement for the original license confirm that groundwater restoration to applicable class of use standards (the secondary restoration goals) was evaluated and found acceptable for your facility. However, we were unable to find any documentation in the docket describing why these goals were not included in the original license, nor do we find a regulatory basis for this omission. Therefore, I conclude that the goals were inadvertently omitted as the result of NRC oversight. As a result, it was necessary for Crow Butte to request a license amendment to include those previously reviewed and acceptable goals. A total of 246 hours were expended for the review and approval of this amendment.

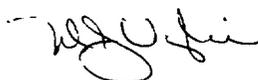
M. Griffin

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I have advised the Chief Financial Officer of my conclusions and he has agreed that, under these circumstances, CBR should not be charged for the referenced license amendment. The Office of the Chief Financial Officer will reduce the invoices affected by the 246 staff hours associated with the license amendment and will notify you within 30 days of the amount of the credit or refund. Nothing in this decision applies to the cost of NRC's efforts in responding to your request for groundwater restoration approval in one wellfield at your facility. This effort resulted in our June 26, 2001, request for additional information.

I apologize for any inconvenience you have experienced. Please contact me at 301-415-7800 if you have any questions regarding this matter.

Sincerely,



Martin J. Virgilio, Director
Office of Nuclear Material Safety
and Safeguards

Docket No. 40-8943
License No. SUA-1534

cc: Stephen P. Collings, CBR, Denver