

October 16, 2001

Mr. Mark S. Pelizza, President  
Hydro Resources, Inc.  
650 S. Edmonds Lane  
Lewisville, Texas 75067

SUBJECT: APPROVAL OF RESTORATION ACTION PLAN FOR CROWNPOINT  
UNIT 1, HYDRO RESOURCES IN-SITU URANIUM MINING PROJECT

Dear Mr. Pelizza:

The U S. Nuclear Regulatory Commission (NRC) staff has reviewed the Hydro Resources, Inc. (HRI) Restoration Action Plan (RAP) for Crownpoint Unit 1, submitted by filing from Counsel to HRI, dated September 17, 2001. Consistent with the Presiding Officer's May 25, 2001, Order, the staff has completed its review within 30 days.

HRI plans to mine Crownpoint Unit 1 subsequent to first mining Church Rock Section 8 and then Church Rock Section 17. Some overlap between completion of mining and well field restoration of Section 17, and start of mining of Crownpoint Unit 1, is expected. At this time, HRI has not established a projected date to begin work at the Church Rock Section 8 site, and it has not obtained other regulatory agency permits required prior to operation. Consequently, before mining begins at Section 8, HRI must update the RAPs for the various units, and submit them to the NRC for review and approval of any changes, as part of the process of establishing the requisite NRC-approved surety mechanism. Information gained on the characteristics of each site will be factored into each annual surety update.

The Crownpoint Unit 1 RAP follows the guidelines established by the Church Rock Section 8 and Section 17 RAPs, which were approved by NRC letters dated April 16, 2001, and August 22, 2001. The major items considered by HRI in the RAP for Crownpoint Unit 1, were cleanup of the well fields and plugging of the wells. The HRI analyses and cost estimates of the restoration of the well fields, which are based on 9 pore volumes as specified in License Condition 9.5, are appropriate for a surety estimate. The well plugging method is consistent with that required by the New Mexico State Engineer, and the costs appear appropriate. Therefore, the NRC staff has determined that the RAP for Crownpoint Unit 1 provides an acceptable plan and cost estimate for the decontamination, decommissioning, and restoration of the well fields, and hereby, approves the RAP.

Please contact Ken Hooks, the NRC Project Manager for the Hydro Resources, Inc. site, at (301) 415-7777 or by e-mail at [krh1@nrc.gov](mailto:krh1@nrc.gov), if you have any questions concerning this matter.

Mr. M. Pelizza

2

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document management system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Sincerely,

**/RA/**

Melvyn N. Leach, Chief  
Fuel Cycle Licensing Branch  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

Docket No.: 40-8968  
License No.: SUA-1580

cc: Those on attached mailing list

Mr. M. Pelizza

2

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the publicly Available Records (PARS) component of NRC's document management system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Sincerely,

**/RA/**

Melvyn N. Leach, Chief  
Fuel Cycle Licensing Branch  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

Docket No.: 40-8968  
License No.: SUA-1580

cc: Those on attached mailing list

DISTRIBUTION: FCSSr/f FCLB r/f CNWRA WvonTill  
BSpitzberg, RIV ARamirez ACNW EBrummett  
MYoung/OGC WFord DRom MLeavitt/NMED

**Document Name: G:\FCLB\HRIRAPUNIT1.WPD ADAM'S Accession No: ML012900141**

<b>OFC</b>	FCLB	FCLB	FCLB	OGC	FCLB
<b>NAME</b>	KHooks:os	MLayton	GJanosko	MYoung	MLeach
<b>DATE</b>	10/16/01	10/16/01	10/16/01	10/16/01	10/16/01

**OFFICIAL RECORD COPY**

## **Mailing list**

Administrative Judge, Thomas S. Moore  
Presiding Officer  
Atomic Safety and Licensing Board  
U.S. Nuclear Regulatory Commission  
Mail Stop T-3 F23  
Washington, D. C. 20555  
Email: [tsm2@nrc.gov](mailto:tsm2@nrc.gov)

Jep Hill, Esq.  
Jep Hill and Associates  
P.O. Box 30254  
Austin, Texas 78755

Diane Curran, Esq.  
Harmon, Curran, Spielberg,  
& Eisenberg, L.L.P.  
1726 M Street, N.W., Suite 600  
Washington, D. C. 20036  
Email: [dcurran@harmoncurran.com](mailto:dcurran@harmoncurran.com)

W. Paul Robinson  
Chris Shuey  
Southwest Research  
and Information Center  
P. O. Box 4524  
Albuquerque, New Mexico 87106

Administrative Judge, Thomas D. Murphy  
Special Assistant  
Atomic Safety and Licensing Board  
U.S. Nuclear Regulatory Commission  
Mail Stop T-3 F23  
Washington, D. C. 20555  
Email: [tdm2@nrc.gov](mailto:tdm2@nrc.gov)

Mitchell W. Capitan, President  
Eastern Navajo-Diné Against  
Uranium Mining  
P.O. Box 150  
Crownpoint, New Mexico 87313

Eric Jante  
New Mexico Environmental Law Center  
1405 Luisa Street, Suite 5  
Santa Fe, New Mexico 87505

Anthony J. Thompson, Esq.  
1225 19<sup>th</sup> Street, N.W., Suite 200  
Washington, D. C. 20036

Office of the Secretary  
Attn: Rulemakings and Adjudications Staff  
U.S. Nuclear Regulatory Commission  
Mail Stop: OWFN-16 C1  
Washington, D. C. 20555

Administrative Judge, Robin Brett  
2314 44<sup>th</sup> Street, N.W.  
Washington, D.C. 20007

Office of Commission Appellate  
Adjudication  
U.S. Nuclear Regulatory Commission  
Mail Stop: O-16G15  
Washington, D.C. 20555

Edward M. Dobson, Esq.  
DNA-People's Legal Services, Inc.  
P. O. Box 310458  
Mexican Hat, UT 84531-0458