

April 15, 2002

MEMORANDUM TO: Michael T. Lesar, Chief
Rules and Directives Branch
Division of Administrative Services
Office of Administration

FROM: Robert Pierson, Director
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Materials Safety
and Safeguards

SUBJECT: PUBLISHING NOTICE OF DENIAL IN THE FEDERAL REGISTER
CONCERNING THE COMPLETION OF GROUND-WATER
RESTORATION IN UNIT 1 WELLFIELD, CROW BUTTE
RESOURCES, DAWES COUNTY, NEBRASKA

Attached please find one signed original, five copies, and an electronic version on a floppy diskette of the Federal Register Notice identified below for your transmittal to the Office of the Federal Register for publication.

- Notice of Finding of No Significant Impact _____

- Notice of Availability of Environmental Report _____

- Notice of Opportunity for Hearing _____

- Notice of Availability of License Amendment Application for: _____

- Notice of Availability of Draft EIS for: _____

- Notice of Availability of Final EIS for: _____

- Notice of Issuance of Facility Operating License or Amendment _____

- Notice of Preparation of Environmental Assessment _____

Environmental Assessment _____

Other: Notice of Denial - Completion of Ground-Water Restoration for
Unit 1 Wellfield, Crow Butte Resources, Incorporated

CONTACT: Michael Layton, NMSS/FCSS
(301) 415-6676 or mcl@nrc.gov

Attachments: (1) five copies
(2) floppy disk (electronic version)

Docket No. 40-08943
Licence No. SUA-1534

Michael T. Lesar

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Environmental Assessment _____

Other: Notice of Denial - Completion of Ground-Water Restoration for
Unit 1 Wellfield, Crow Butte Resources, Incorporated

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G:/FCLB/Uranium Recovery Section/FRN-Notice of Denial Crow Butte Resources.wpd
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NUCLEAR REGULATORY COMMISSION

NOTICE OF DENIAL - COMPLETION OF GROUND-WATER RESTORATION IN UNIT 1
WELLFIELD, CROW BUTTE RESOURCES, DAWES COUNTY, NEBRASKA

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice of Denial

SUMMARY: On March 29, 2002, the U.S. Nuclear Regulatory Commission (NRC) denied the requested approval of ground-water restoration completion in the Unit 1 wellfield at the Crow Butte Resources, Incorporated, *In Situ* Leach (ISL) uranium extraction facility located near the town of Crawford, Dawes County, Nebraska. The facility is licensed to process and possess natural uranium by Materials License Number SUA-1534, issued in accordance with Title 10 Code of Federal Regulations (CFR) Part 40.

Crow Butte Resources, Incorporated, (the licensee) requested approval for completing ground-water restoration in its Unit 1 wellfield, upon concluding activities that resulted in contaminant concentrations within the uranium ore zone of the Chadron Aquifer reaching acceptable levels, determined to be protective of public health and the environment. NRC denied the licensee's request for approval, based on a finding that the licensee did not demonstrate that Unit 1 restoration activities would result in future constituent levels remaining at levels protective of human health and the environment, in accordance with 10 CFR 40.31(h) and Criterion 5F, 10 CFR 40, Appendix A. In addition, the licensee is required to immediately restart stabilization ground-water monitoring in Unit 1 at the monitoring locations described in the January 10, 2000, Restoration Report. The ground-water shall be sampled and analyzed for the constituents listed in License Condition 10.3B, SUA-1534, on a

schedule of at least 14 days apart. The wellfield restoration shall be considered stable if four consecutive sampling episodes show no strongly increasing concentration trends for all monitored constituents, on a wellfield average, as described in Section 6.1.3, "Standard Review Plan for *In Situ* Leach Uranium Extraction License Applications," NUREG-1569.

At that time, the licensee shall submit a written report for NRC review and approval, which provides a tabulation of all stability monitoring data for Unit 1, graphics showing time versus concentration of each monitored constituent, and analyses that demonstrate the restored constituent concentrations are within license limits and are stable. Stability monitoring should continue until four consecutive sampling episodes show no strongly increasing concentration trends. Wellfield restoration activities should be immediately re-initiated in Unit 1 if the concentration of any monitored constituent exceeds its license limit. The licensee should also revise its ground-water restoration plan to reflect a stability monitoring period which will allow all constituents to reach stability before ceasing the monitoring. This revision should be submitted for NRC review and approval in the form of an amendment to License Condition 10.3C, SUA-1534.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of NRC's Denial letter and the accompanying Technical Evaluation Report (Accession Number ML020930087) is available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm.html> (the Public Electronic Reading Room).

Pursuant to 10 CFR 2.108(b) the licensee shall have 30 days from the date of this Notice of Denial to file a petition, requesting a hearing before the Atomic Safety Licensing Board Panel on this denial.

For further information contact: Michael Layton @ 301 415 6676 or mcl@nrc.gov

Dated at Rockville, Maryland, this 15th day of April, 2002.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Robert Pierson, Director
Division of Fuel Cycle Safety
and Safeguards,
Office of Nuclear Material Safety
and Safeguards.