



Rio Algom

Certified Mail- 7001 2510 0008 1945 3855
Return Receipt Requested

June 5, 2002

Mr. Charles L. Cain, Chief
Nuclear Regulatory Commission Region IV
Nuclear Materials Licensing Branch
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8064

Re: Response to Inspection 02-01
License SUA-1548
Docket 40-8964

Dear Mr. Cain:

Rio Algom is in receipt of the NRC Inspection Report from your office dated May 17, 2002. Overall the report is accurate, however, Rio Algom would like to take this opportunity to clarify two statements.

First, Section 3.2 "Observations and Findings" states in part,

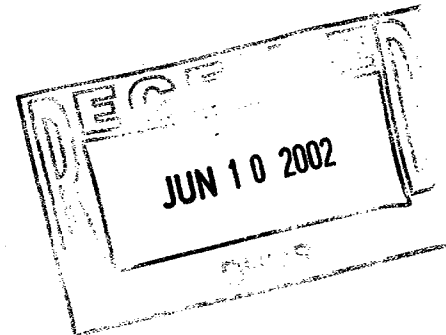
"During the guided tour it was noted that Wellfields 3, 4, and 4A were in production, and Wellfield 1 was not. Wellfield 1 was being recirculated and awaiting restoration to begin..."

Please note that Wellfield #1 is still in production extracting economic reserves and is not in "re-circulation" as stated in the report.

Second, Section 3.2 "Observations and Findings" states in part,

"License Condition 10.1 states that commercial processing plant operations shall not exceed an average monthly flow rate of 12,000 gallons per minute (gpm), and that the yellowcake production shall not exceed 2 million pounds."

Rio Algom Mining Corp.
P.O. Box 1390
Glenrock, Wyoming 82637 307.358.3744 tel
762 Ross Road 307.266.2449 tel
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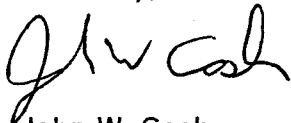


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License Condition 10.1 actually states, "...*annual yellowcake production shall not exceed 3.5 million pounds as U_3O_8* ." instead of the 2 million pounds written in the inspection report.

If you have any questions regarding this matter please call be at (307) 358-3744, ext. 62.

Sincerely,



John W. Cash

Xc: Louis Carson (NRC-Arlington)
Bill Ferdinand (RAM-Smith Ranch)
Paul Goranson (RAM-OKC)
Bruce Law (RAM-OKC)
John Lusher (NRC-Rockville)
John McCarthy (RAM-Smith Ranch)