

UNITED NUCLEAR CORPORATION



P.O. Box 3077
Gallup, New Mexico 87305-3077

Telephone: (505) 722-6651
Fax: (505) 722-6654

CERTIFIED – RETURN RECEIPT REQUESTED

March 1, 2004

Mr. Gary Jonosko, Branch Chief
US Nuclear Regulatory Commission
Division of Fuel Safety and Safeguards
Fuel Cycle Licensing Branch
Office of Nuclear Material Safety & Safeguards
11545 Rockville Pike, Mail Stop: T-8A33
Rockville, Maryland 20852-2738

Re: License No. SUA-1475, Condition No. 31 - 40-8907

Dear Mr. Jonosko:

In compliance with our NRC Radioactive Material License No. SUA – 1475, Condition No. 31, the attached Annual Land Use Report is presented.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry Bush", written over a horizontal line.

Larry Bush
Manager

LB:drb

Enclosure

Cc: NRC, Region IV, Alington, TX
Steve Hill, GE
Roy Blickwedel, GE
Bill Von Till, NRC

UMSS01

ANNUAL LAND USE SURVEY REPORT

UNITED NUCLEAR CORPORATION

LICENSE SUA-1475

CONDITION NO. 31

March 1, 2004

SURVEY OF LAND OWNERSHIP AND USE WITHIN TWO MILE OF MINE SITE

UNITED NUCLEAR CORPORATION

License No. SUA – 1475

Condition No. 31

1.0 Introduction

This report has been prepared pursuant to License Condition 31 of United Nuclear Corporation's License No. SUA – 1475. The information submitted in this report was acquired from the master title plat published by the Bureau of Land Management. The surface ownership records are maintained by United Nuclear Corporation. The map is a copy of the USGS Quadrangle of Hardground Flats, Oak Springs, and Churchrock; the photo revised in 1987. The land use survey was performed by United Nuclear Corporation's Radiation Safety Officer.

2.0 Ownership and Use

Reference the enclosed map for location in regards to Mill Site.

Area:	Owner:	Usage:
Section 1	Navajo Tribe	Grazing
Section 2*	United Nuclear	Mill & Tailings site plus one employee homesite
Section 3	Navajo Tribe	Grazing
Section 4	Indian Allotted	Grazing
Section 6	Indian Allotted	Grazing
Section 9	Navajo Tribe	Grazing
Section 10	Indian Allotted	Grazing, plus ten homesites
Section 11	Navajo Tribe	Grazing
Section 12	BLM, A, Etah, Etal	Grazing
Section 13	Navajo Tribe	Grazing
Section 14	Indian Allotted	Grazing
Section 15	Navajo Tribe	Grazing

***Additional note for Sec. 2:**

The mill has been decommissioned and has been cleaned to meet releasable standards for unrestricted use. The tailings area has been reclaimed and interim cover placement was completed in 1991. Final cover including drainage was completed on one-third of the tailings area in 1993, and the second one-third was completed in 1994. Final cover of the last one-third of the tailings area was completed in 1995. Construction of drainage swales and channels to carry surface water away from tailings site was completed in 1996. Radon flux testing over the tailings pile final radon barrier (with the exception of two used evaporation ponds for ground water remediation) was performed in September 25, 1996. And the subsequent test result was reported in the "Report on Radon Emanation Testing of Final Radon Cover Over UNC's Church Rock Tailings Site," Docket No. 40-80907 submitted on January 3, 1997.

Current ongoing activity include sampling monitoring wells on UNC's Sec. 2, and 36, Sec. 1 (Navajo Tribe), and Sec. 10 (Indian Allotted), on a quarterly basis in accordance with Condition No. 30 of our License No. SUA – 1475.

Area:	Owner:	Usage:
Section 33	Navajo Tribe	Grazing
Section 34	BLM	Grazing
Section 35	Navajo Tribe	Grazing, United Nuclear Corporation Reclaimed Northeast Church Rock Mine Sites are located on this section.
Section 36	United Nuclear	Unauthorized grazing. Quivira Mining's decommissioned administration Offices are located on this section.
Map Northern Portion of 2-mile radius	Navajo Reservation	Grazing, plus 23 homesites. Quivira's reclaimed Churchrock Mine is located on this area.
Section 31	Indian Allotted	Grazing

3.0 Wells, Use, and Location

Well:	Use:	Location:	Formation:
United Nuclear	Domestic	Section 2-Mill Site	Westwater
Circle Wash	Domestic/Livestock	Section 14	Alluvium
Abandoned	No Known Use	Section 11	Alluvium
J.E. Soper # 1	No Known Use	Section 1	Two Wells- Member Mancos
BLM-2	Monitor	Section 12	Alluvium
14T-586	Domestic/ Livestock	N.I.R. N Part of Map	Lower Gallup

4.0 Significant change or event which took place since the 2003 Land Use Report

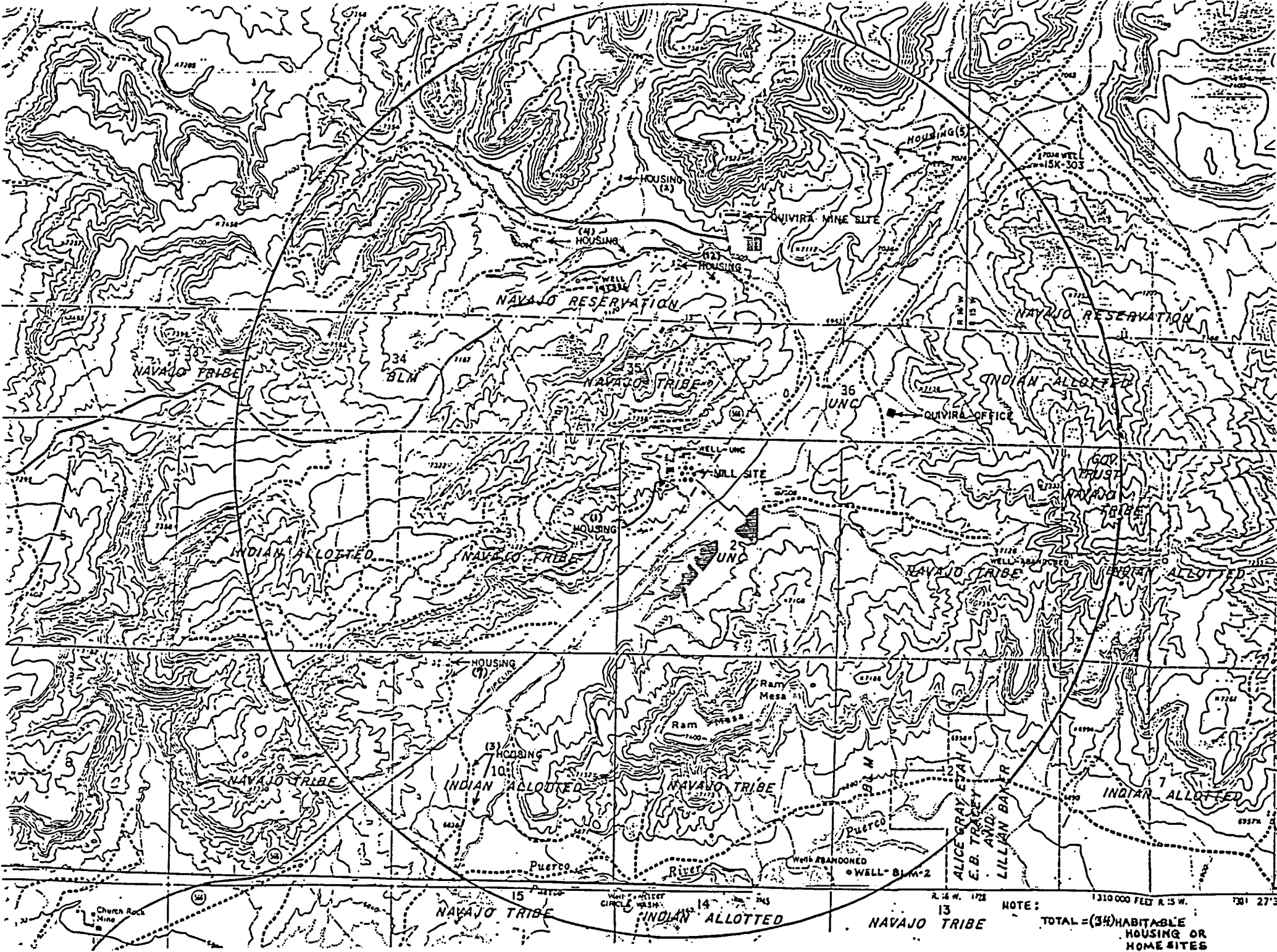
1. Residential homesites had increased from nine to ten on Section 10 (Indian Allotted) and from 21 to 23 on the northwest portion of the 2 mile radius (Navajo Reservation).
2. After interviewing local residents the Circle Wash well located on Sec. 14 (Indian Allotted) is still used for livestock and domestic.
3. On 3/27/03; relocated and reposted the radioactive material caution/warning signs from the reclaimed tailings perimeter fence line (overall total of thirty; one meter unshielded gamma ray exposure rate reading averaged 17.53 ur/hr. near or where the rad signs were formerly posted) to the tailings interior perimeter evaporation pond and material storage area (overall total of eighteen; one meter unshielded gamma ray exposure rate Reading averaged 32.17 ur/hr. where the rad signs are now posted). Tailings perimeter fence line area is still restricted with locked gates and no trespassing signs posted.

4. From 6/09/03 to 7/31/03, four Zone 3 area test wells were drilled and installed on UNC's Sec. 36, T.17N., R.16W., NMPM. Well description and purpose is listed below:

- Test boring well and later plugged (CHHF-1).
- Test boring and observation well (CHHF-2)
- Pilot test and fracture well (HF-3).
- Test boring and observation well (MWHF-3).

The above task was performed as part of UNC's exploratory studies to evaluate methods to enhance the extraction potential within the impacted area of this hydrostratigraphic unit and to prevent the seepage from migrating off site (MACTEC, December 2003).

5. On 8/18/03; two contracted fenceline workers commenced the task of replacing the tailings perimeter old existing barb wire fenceline with new 47" field fence, 7' steel t-post and barb wire. Replacement started approximately 450' westerly from SW Section 36 Corner to the NE Section Corner; to the NE Section 2 Corner, and ended approximately 450' westerly from the SE Section 2 Corner. This project also included retightening and restrengthening the entire south perimeter fenceline and other task as needed. The project was under taken to further enhance the prevention of livestock entry into the reclaimed tailings area, and all fenceline replacement and repair work as well as other needed task was completed on 12/19/03.
6. A minor flood event had occurred on 7/31/03 and a major event had occurred on 9/09/03 which damaged and downed the newly installed fenceline (Also see item # 5) in the northern portion of tailings perimeter. However, replacement and repair work was done as soon as possible.
7. Other past event, as part of the PB Well Project (on UNC's Section 36) include the drilling/installment and plugging of the well MWHC-1 on 6/26/02. This well was geophysically logged and core sample studied.



NOTE: TOTAL = (34) HABITABLE HOUSING OR HOME SITES