

CROW BUTTE RESOURCES, INC.

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April 14, 2004

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington D.C. 20555-0001

Subject: Comments on NRC RIS 2004-02

Dear Sir/Madam:

Crow Butte Resources, Inc. (CBR) has reviewed NRC Regulatory Issue Summary (RIS) 2004-2 entitled *Deferral of Active Regulations of Ground Water Protection at In Situ Leach Uranium Extraction Facilities*. CBR strongly supports the NRC's efforts to reduce the long standing dual regulatory burden caused by the overlapping regulation of ground water at *in situ leach* (ISL) operations by both the NRC and the state regulatory authority. CBR believes that the NRC's efforts described in RIS 2004-2 as they relate to deferring the regulation of ground water at Nebraska ISL operations to the Nebraska Department of Environmental Quality (NDEQ) will continue to provide adequate protection for public health and the environment while reducing the regulatory burden on CBR and NRC staff.

CBR operates one of two uranium ISL production facilities in the United States. The Crow Butte Uranium Project is located in Dawes County and provides employment for approximately 65 workers in an area that is sorely in need of good paying jobs. The NRC's plan to defer the active regulation of ground water protection to the NDEQ will reduce the regulatory burden and associated costs of dual regulation and will provide a more efficient regulatory environment for CBR, and, as the RIS points out, a more efficient regulatory program for the NRC. CBR believes that the NDEQ has promulgated an excellent program to regulate the ground water at Nebraska ISL operations. This regulatory program is implemented through the EPA-authorized Underground Injection Control (UIC) Program in accordance with Nebraska statutes and regulations that were specifically developed for ground water protection at ISL mining operations. Many provisions of the NDEQ program exceed the requirements of the NRC and EPA UIC programs.

In summary, CBR applauds NRC's efforts to reduce the current dual regulatory burden on ISL facilities. CBR does not have any substantive comments regarding the intent of

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this action or the example "Memorandum of Understanding" to be used with the State of Nebraska. CBR hopes that this effort can be completed in a timely manner to reduce the regulatory burden on our operations and allow NRC to expend resources on more important nuclear fuel cycle concerns.

To support this effort, CBR has prepared and submitted to NRC and NDEQ staffs a report entitled *Regulatory Review of Ground Water Protection for In-Situ Leach Uranium Mining in the State of Nebraska*. We hope that this report assists the NRC staff in their review of the Nebraska regulatory regime and we stand ready to assist the NRC in any way possible to complete this important effort.

Sincerely,
CROW BUTTE RESOURCES, INC.

A large, stylized handwritten signature in black ink, appearing to read "M. Griffin", positioned above the printed name and title.

Michael L. Griffin
Manager of Health, Safety, and Environmental Affairs

cc: Mr. Michael Linder
Director
Nebraska Department of Environmental Quality
PO Box 98922
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Ms. Katie Sweeny
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