

November 16, 2004

Michael L. Griffin  
Manager of Environmental and Regulatory Affairs  
Crow Butte Resources, Inc.  
86 Crow Butte Road  
Post Office Box 169  
Crawford, NE 69339-0169

SUBJECT: CROW BUTTE RESOURCES *IN SITU* LEACH FACILITY, LICENSE NO.  
SUA-1534, - ANNUAL SURETY UPDATE, AMENDMENT 18 (TAC LU0066)

Dear Mr. Griffin:

By letter dated September 22, 2004, Crow Butte Resources, Inc., requested an amendment to increase its annual surety amount from \$14,909,670.00 to \$16,033,706.00. Significant changes to the surety estimate included the following: 1) the operation of eight well houses in mine unit 8 and five well houses in mine unit 9 by the end of 2005. Two hundred wells are also projected for mine unit 10. These additional mining areas resulted in significant increases in ground water restoration and wellfield reclamation costs; 2) the decommissioning estimate for the class 1 deep disposal well was escalated using the June 2004 consumer price index (CPI); 3) the number of contaminated and uncontaminated tanks in the commercial plant was updated; 4) the cost for contract analytical support during mine unit stabilization was reduced due to the stabilization monitoring plan approved by a Class III Permit modification issued in January 2004. These reduced analytical costs were partially offset by a corresponding increase in on-site analytical cost; 5) the length of small diameter lateral and trunk line piping was rebaselined for mine units 8 and 9, resulting in a decrease in the wellfield reclamation, pipe shredding and disposal cost for this material; 6) annual escalation of 3.3 percent based on the CPI for labor, buildings, spare parts and deep injection well; all other costs for operation and restoration and reclamation were rebaselined; and 7) inclusion of a 10 percent contract administration cost and 15 percent contingency cost.

The licensee's supporting data provided more information than recommended by Appendix C of NUREG-1569, "Standard Review Plan for *In Situ* Leach Uranium Extraction License Applications." The licensee's revised estimate is based on the actual costs incurred for equipment, chemical supplies, and disposal. The proposed CPI was verified with information from the U.S. Department of Labor, Bureau of Labor Statistics. The accompanying spreadsheets were reviewed and randomly checked for accuracy. No discrepancies were found. The inclusion of the 10 percent administration cost and the 15 percent contingency cost is consistent with the guidance in NUREG-1569. Based on this analysis, the change in the surety estimate has been determined to be acceptable. License Condition 9.5 has been revised to reflect the new surety amount and to reflect the most current revision to NUREG-1569. The amended license is enclosed.

Pursuant to 10 CFR 51.22(c)(10) and (11), neither an environmental assessment nor an environmental impact statement is warranted for these actions.

These changes to Materials License SUA-1534 were discussed between you and Mr. John Lusher, the NRC Project Manager for the Crow Butte facility, on October 16, 2004. If you have any questions concerning this letter or the enclosure, please contact Mr. Lusher at (301)415-7694 or via e-mail to [JHL@nrc.gov](mailto:JHL@nrc.gov).

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 system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Please note that on October 25, 2004, the NRC suspended public access to ADAMS, and initiated an additional security review of publicly available documents to ensure that potentially sensitive information is removed from the ADAMS database accessible through the NRC's web site. Interested members of the public may obtain copies of the referenced documents for review and/or copying by contacting the Public Document Room pending resumption of public access to ADAMS. The NRC Public Document Room is located at NRC Headquarters in Rockville, MD, and can be contacted at (800)397-4209 or (301)415-4737 or [pdr@nrc.gov](mailto:pdr@nrc.gov).

Sincerely,

**/RA/**

Gary S. Janosko, Chief  
Fuel Cycle Facilities Branch  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

Docket No.: 40-8943  
License No.: SUA-1534

Enclosure: License Amendment 18

cc: Stephen P. Collings, CBR, Denver  
Dave Miesbach, Nebraska, UIC, DEQ  
Dave Carlson, Nebraska, UIC, DEQ  
Sheryl K. Rogers, Nebraska, RMP, PHA

November 16, 2004

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Sincerely,

**/RA/**

Gary S. Janosko, Chief  
 Fuel Cycle Facilities Branch  
 Division of Fuel Cycle Safety  
 and Safeguards  
 Office of Nuclear Material Safety  
 and Safeguards

Docket No. 40-8943  
 License No. SUA-1534

Enclosure: License Amendment 18

cc: Stephen P. Collings, CBR, Denver  
 Dave Miesbach, Nebraska, UIC, DEQ  
 Dave Carlson, Nebraska, UIC, DEQ  
 Sheryl K. Rogers, Nebraska, RMP, PHA

**(Closes TAC No. LU0066)**

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<b>NAME</b>	J. Lusher		B. Garrett		R. Nelson		G. Janosko	
<b>DATE</b>	11/16/04		11/16/04		11/16/04		11/16/04	

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