

May 5, 2005

Mr. Oscar Paulson
Sweetwater Uranium Facility
Kennecott Uranium Company
P.O. Box 1500
Rawlins, WY 82301-1500

SUBJECT: ENVIRONMENTAL ASSESSMENT FOR AMENDMENT OF SOURCE
MATERIALS LICENSE SUA-1350 FOR THE CATCHMENT BASIN
RECLAMATION (TAC LU0073)

Dear Mr. Paulson:

By letter dated May 12, 2004, Kennecott Uranium Company (KUC) requested that the U.S. Nuclear Regulatory Commission (NRC) amend Source Materials License SUA-1350 for the Sweetwater Uranium Project to allow for the remediation of contaminated soils and ground water. Environmental contamination resulted from organic constituent and radionuclide releases from a catchment basin that previously contained effluent from KUC's solvent extraction process. In response to Requests for Additional Information (RAIs) dated June 24, 2004, and October 28, 2004, KUC submitted revisions dated July 22, 2004, December 15, 2004, and January 18, 2005.

The staff has completed an environmental assessment (EA) of the potential impacts associated with the catchment basin remediation and has concluded that the proposed licensing action will not have a significant impact on the environment. Accordingly, the staff is preparing a notice to signify a Finding of No Significant Impact, as well as the availability of the EA, to be published in the **Federal Register**. A copy of the EA is enclosed. Safety aspects of the catchment basin reclamation are discussed separately in a technical evaluation report that will accompany the staff's final licensing action on KUC's request to amend Source Materials License SUA-1350.

If you have any questions regarding this letter, please contact Stephen J. Cohen, the Project Manager for the KUC Sweetwater Uranium Project, at (301) 415-7182 or by e-mail to sjc7@nrc.gov.

In accordance with 10 CFR 2.390 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/NRC/reading-rm/adams.html>.

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.: 40-8584
License No.: SUA-1350

Enclosure: Environmental Assessment

cc: Richard A. Chancellor, Wyoming DEQ
Kathleen Erwin, USFWS
David A. Finley, Wyoming DEQ
Richard Graham, USEPA, Region VIII
Brian T. Kelly, USFWS
Jack Kelly, USBLM
Mark Thiesse, Wyoming DEQ, Lander Office
Roberta Hoy, Wyoming DEQ
Arthur Kleinrath, DOE, Grand Junction
John F. Wagner, Wyoming DEQ
Loren Setlow, USEPA, Headquarters
Claudia Nissley, Wyoming SHPO
Mark Moxley, Wyoming DEQ, Lander Office

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