

September 6, 2005

Mr. Larry L. Teahon
Environmental Coordinator
Crow Butte Resources, Inc.
86 Crow Butte Road
P.O. Box 169
Crawford, NE 69339-0169

SUBJECT: EXCURSION OF MONITOR WELL CM9-16, SOURCE MATERIALS LICENSE
SUA-1534 (TAC L60502)

Dear Mr. Teahon:

By letter dated August 5, 2005, Crow Butte Resources, Inc. (CBR) notified the U.S. Nuclear Regulatory Commission (NRC) of an excursion at well CM9-16. CBR placed this well on excursion status after a confirmation sample collected on August 4, 2005, indicated that concentrations of chloride and alkalinity, as well as conductivity, exceeded the respective upper control limits (UCLs). CBR has initiated corrective actions, including overproduction in the excursion area and increasing sampling frequency per License Condition 11.2. The NRC staff has reviewed the aforementioned notification letter and has discussed this situation with Mr. Michael L. Griffin, Manager - Health and Safety and Environmental Affairs. At this point in time, CBR's actions appear appropriate. If we have any further questions regarding the status of well CM9-16, we will contact you.

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 Agencywide Access Documents and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/reading-rm/adams.html>.

Sincerely,

/RA/

Stephen J. Cohen, Project Manager
Uranium Processing Section
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

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