

January 20, 2006

Mr. Peter Luthiger
Manager, Radiation Safety and Environmental Affairs
Rio Algom Mining LLC
P.O. Box 218
Grants, NM 27020

SUBJECT: ENVIRONMENTAL ASSESSMENT FOR AMENDMENT OF SOURCE
MATERIALS LICENSE SUA-1473, FOR GROUND WATER ALTERNATE
CONCENTRATION LIMITS, RIO ALGOM MINING LLC, AMBROSIA LAKE,
NEW MEXICO (TAC L51921)

Dear Mr. Luthiger:

By letter dated January 13, 2005, U.S. Nuclear Regulatory Commission (NRC) staff issued a draft Environmental Assessment (EA) recommending the approval of alternate concentration limits (ACLs) at Rio Algom Mining LLC's (RAM's) Ambrosia Lake uranium mill tailings site. The draft EA was in response to RAM's ACL applications dated February 15, 2000 and May 30, 2001, and other submittals dated August 21, 2001, April 11, 2003, February 9, 2004, and July 29, 2004. The New Mexico Environmental Department issued comments regarding the draft EA on February 21, 2005, one of which requested that ACLs be established for nonhazardous constituents. RAM proposed nonhazardous ACLs on July 7, 2005, and December 7, 2005. NRC staff has completed its review of the applications, agency comments, and additional submittals and has completed an environmental assessment (EA) of the potential impacts of implementing the requested ACLs.

We have 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 ACL approval are discussed separately in a technical evaluation report that will accompany the staff's final licensing action on RAM's request to amend Source Materials License SUA-1473.

P. Luthiger

2

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 Agencywide Document Access and Management 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.: 40-8905
License No.: SUA-1473

Enclosure: Environmental Assessment

cc: Gedi Cibas, NMED
Kevin Myers, NMED
Art Kleinrath, DOE - Grand Junction

P. Luthiger

2

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Sincerely,

/RA/

Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
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