

March 24, 2006

Mr. Gedi Cibas
New Mexico Environment Department
1190 St. Francis Drive
Santa Fe, NM 87501

SUBJECT: REQUEST FOR COMMENTS REGARDING THE DRAFT ENVIRONMENTAL
ASSESSMENT FOR AN APPLICATION FOR APPROVAL OF A SOIL
DECOMMISSIONING PLAN FOR RIO ALGOM MINING LLC'S URANIUM MILL
FACILITY AT AMBROSIA LAKE, NEW MEXICO (TAC LU0078)

Dear Mr. Cibas:

The U.S. Nuclear Regulatory Commission's (NRC's) staff requests that you provide your comments regarding a Draft Environmental Assessment (EA) at Rio Algom Mining LLC's (Rio Algom) Ambrosia Lake uranium mill facility near Grants, New Mexico. The site is located approximately 25 miles from the town of Grants, New Mexico, in the Ambrosia Lake basin. The NRC is considering Rio Algom's application for approval of a Soil Decommissioning Plan (Plan). The Ambrosia Lake site was used by the Licensee from the late 1950s until the mid 1980s for milling ore for uranium. Conventional milling operations were stopped in 1985 pending more favorable market conditions. The Plan addresses the methods and procedures to be implemented, as required by the Uranium Mill Tailings Radiation Control Act, as detailed in Title 10 of the *Code of Federal Regulations* in 10 CFR Part 40, to ensure that soil remediation is performed in a manner that is protective of human health and the environment. A copy of the Draft EA is enclosed.

Rio Algom's Plan is currently being reviewed by the NRC staff in order to assure compliance with the NRC's environmental health and safety regulations in 10 CFR Part 40. As part of the review, the NRC is required to complete an EA associated with the approval of the Plan. The proposed action would result in a modification to a License Condition of Source Materials License SUA-1473, to approve Rio Algom's proposal to implement the Plan to remediate soil impacts attributable to licensed activities. Following approval of the Plan, Rio Algom will develop and implement operational procedures to verify that the area meets the approved cleanup criteria. Following approval by the NRC of successful remediation of the area pursuant to the Plan, the area will be stabilized, and the site will eventually be transferred to the U.S. Department of Energy. The NRC Staff contacted the U.S. Fish and Wildlife Service, and was provided information regarding the endangered and threatened species in the vicinity of the site. This information has been incorporated into the draft EA.

I have also provided a copy of this letter and draft EA to Mr. Kevin Myers of your staff. If you have any comments regarding the NRC's review of the Rio Algom site, please provide them within 30 days so they may be fully considered.

If you require additional information, please contact Michael Raddatz of my staff at (301) 415-6334 or by email to mgr@nrc.gov.

G. Cibas

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In accordance with 10 CFR 2.390 of 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 Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

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: Draft Environmental Assessment

cc: Art Kleinrath, DOE-GJ
Kevin Myers, NMED
Peter Luthiger, Rio Algom

G. Cibas

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Docket No.: 40-8905
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Enclosure: Draft Environmental Assessment

cc: Art Kleinrath, DOE-GJ
Kevin Myers, NMED

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| NAME | MRaddatz | | BGarrett | | BVonTill | | GJanosko | |
| DATE | 03/15/06 | | 03/15/06 | | 03/24/06 | | 03/24/06 | |

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