

January 29, 2007

Mr. Larry Teahon  
Manager of Health, Safety, and Environmental Affairs  
Crow Butte Resources, Inc.  
86 Crow Butte Road  
P.O. Box 169  
Crawford, NE 69339-0169

SUBJECT: LICENSE AMENDMENT NO. 21, 2007 SURETY ESTIMATE, CROW BUTTE RESOURCES, INC., CRAWFORD, NEBRASKA, SOURCE MATERIALS LICENSE SUA-1534 (TAC J00502)

Dear Mr. Teahon:

By letter dated September 29, 2006, Crow Butte Resources, Inc., (CBR) submitted the 2007 surety estimate for its *in-situ* leach (ISL) uranium production facility near Crawford, Nebraska, to U.S. Nuclear Regulatory Commission (NRC) staff. The submittal included a summary of significant changes and spreadsheets to support the final estimate of \$22,883,722. By letter dated October 30, 2006, NRC staff informed CBR that the submittal was insufficient due to numerical errors in the supporting spreadsheet. CBR submitted a revised spreadsheet on December 13, 2006, with a new surety estimate of \$22,980,913, which is an increase of \$3,181,624 over the 2006 surety estimate.

The 2007 surety estimate addresses the installation of two wellhouses and numerous wells in Mine Units (MUs) 10 and 11 by the end of 2007. During 2007, 162 wells will be installed in MU 10 resulting in a total of 622 wells, and 215 wells will be installed in MU 11 for a total of 275 wells. No lixiviant will be injected in MU 11 in 2007. The areal extent of MUs 10 and 11 was increased by 63.4 acres to reflect the additional ground water restoration, wellfield reclamation, and well plugging and abandonment costs associated with the expansion of these MUs.

CBR's unit costs were also escalated by 4.3 percent based on the Consumer Price Index – All Urban Consumers for June 2005 (194.5) and June 2006 (202.9). This escalation factor was applied to labor rates and some materials costs. The most significant increases occurred in ground water restoration (\$1,904,880), wellfield restoration (\$584,326), contingency (\$381,795), and contract administration (\$254,530).

Based on the information provided in CBR's submittal of December 19, 2006, the NRC staff has determined that the surety estimate is acceptable. License Amendment No. 21, enclosed with this letter, includes a revised License Condition (LC) 9.5 that reflects the updated surety estimate of \$22,980,913. This licensing action meets the categorical exclusion provision for surety changes in 10 CFR Part 51.22(c)(10)(i). Therefore, no further environmental review is required for this action.

L. Teahon

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In addition to amending LC 9.5, LC 9.2 has been amended to reflect organizational changes within the NRC. All correspondence regarding this license shall be sent to the following address: Deputy Director, Decommissioning and Uranium Recovery Licensing Directorate, Division of Waste Management and Environmental Protection, Office of Federal and State Materials and Environmental Management Programs, Mailstop T7-E18, U.S. Nuclear Regulatory Commission, Washington, DC, 20555-0001, or by express delivery to 11545 Rockville Pike, Rockville, MD, 20852-2738.

If you have any questions regarding this action, please contact Mr. Stephen J. Cohen, Project Manager, at 301-415-7182 or, by e-mail, at [sjc7@nrc.gov](mailto:sjc7@nrc.gov).

In accordance with 10 CFR Part 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 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>.

Sincerely,

**/RA/**

Keith I. McConnell, Deputy Director  
Decommissioning and Uranium Recovery  
Licensing Directorate  
Division of Waste Management and  
Environmental Protection  
Office of Federal and State Materials and  
Environmental Management Programs

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

Enclosure: License Amendment No. 21

cc: S. Fischbein, NDEQ

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Sincerely,

**/RA/**

Keith I. McConnell, Deputy Director  
Decommissioning and Uranium Recovery  
Licensing Directorate  
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Docket No.: 40-8943  
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