

May 3, 2007

MEETING REPORT

DATE: April 24, 2007

TIME: 8:00 a.m.

LOCATION: Hydro Resources, Inc. (HRI), facility, Crown Point Uranium Project, one-half mile west of Crown Point, NM, on Church Road

PURPOSE: Category 1 public meeting to discuss NRC License SUA-1580 and to conduct a site tour for Nuclear Regulatory Commission (NRC) staff for properties licensed in SUA-1580.

ATTENDEES: SEE ATTACHED LIST

BACKGROUND:

Hydro Resources, Inc., has been issued an NRC Material License SUA-1580 to *in-situ* leach and recover uranium at four locations in the Crown Point, New Mexico area, as well as operate a central processing facility near Crown Point. The license, and decisions related to the license, have been litigated by the NRC Atomic Safety and Licensing Board and reviewed by the Commission. The NRC decisions and the licensing process are now being litigated in Federal Court, 10th Circuit, in Denver, Colorado. At this time, HRI is not milling uranium via the *in-situ* leach process or operating a processing facility. NRC staff conducted a site visit to the areas listed in the NRC license for the purpose of familiarizing NRC staff, who had not previously been to the site, with the physical location of the site and surrounding areas.

DISCUSSION:

NRC staff Ron Linton, Project Manager, and William von Till, Uranium Recovery and Licensing Branch (URLB) Chief, met with HRI representatives and visited the HRI proposed central processing facility and proposed *in-situ* leach milling properties of Crown Point, Unit 1, Section 8, and Section 17, as referenced in NRC License SUA-1580. This was the first opportunity for Ron Linton to visit the site.

The meeting was publicly noticed on April 5 by posting on the NRC web site. The notice was also mailed to those on the HRI service list that was provided to the URLB by the NRC Office of the General Counsel, since the NRC license has been recently litigated by the NRC Atomic Safety and Licensing Board and the Commission.

Upon arriving at the facility at 8:00 a.m., the NRC was greeted by members of the public who were protesting the proposed mill and processing facility. NRC staff met the public at the facility entrance and agreed to allow a few persons attend the meeting who had

Enclosure

not previously notified the NRC that they wanted to attend. These were primarily leaders of various groups protesting uranium milling at HRI. NRC staff limited additional meeting participants due to space constraints at the HRI conference room facility. Approximately 15 members of the public were present. The meeting was attended by several members of the Eastern Navajo Din'e Against Uranium Mining, members of different Navajo Chapters, Navajo Allottees, local and national environmental groups, a student, a reporter from the Gallup Independent, and other citizens.

The meeting began at approximately 9:00 a.m. on April 24, 2007, at the HRI proposed central processing facility, before moving to the proposed *in-situ* leach milling properties of Crown Point, Unit 1, Section 8, and Section 17. After a short review of HRI properties and discussion of the proposed site visit agenda, the public was invited to offer comments to the NRC staff.

PUBLIC COMMENTS:

Most of the comments from the public were from Navajo community members who are opposed to uranium mining and milling. Ms. Lynnea Smith discussed a letter received from a person in Texas who reported hearing explosions near uranium *in-situ* facilities near Kingsville, Texas. Ms. Smith did not offer the letter to be made public. She continued to voice her opposition to uranium mining and milling and was clear that the possible money the Navajo community may derive from the HRI operation was not worth the risk of potential contamination from milling operations. Mr. Mitchell Capitan, Ms. Alice Benally, Mr. Larry King, and Ms. Mary Lou Morgan spoke at length about past uranium workers dying in Ship Rock, New Mexico, from past uranium industry exposures and also discussed tailings from mines where children once played. In general, there was a great concern about the potential contamination of local groundwater aquifers and drinking water supplies. Mr. King also mentioned that Mt. Taylor is considered a sacred site to many local communities. Ms. Isabel Shanahan asked questions and voiced concerns about contaminants moving in paleochannels associated with the uranium ore deposits and relaxation of restoration standards at other *in-situ* leach facilities when background restoration levels were not reached.

Mr. Danny Charlie, a Navajo Allottee, spoke as a supporter of uranium mining and milling and the much needed jobs it would bring to the Navajo community. He further defended the sovereignty of the land he owns and his right to use it as he determines. Other Navajo Allottees in attendance appeared to be in agreement with his opinion.

SITE VISIT:

After the formal meeting was over at the HRI proposed central processing facility, NRC staff, HRI staff, and other meeting attendees toured the town of Crown Point, observing several Bureau of Indian Affairs public wells, and the general setting of Crown Point and surrounding area as they relate to areas approved for ISL milling in the NRC license. The tour then proceeded to several locations at Unit 1, and stopped at both Section 8 and Section 17. The participants remaining then visited an outcrop of the Morrison Formation just off State Route 566, displaying the Brushy Basin, Westwater Canyon, and Recapture members as pointed out

by HRI geologist Melvin Capitan. From this outcrop, the proposed location of the Springstead Estates subdivision was also observed. The site visit ended at a geologic outcrop of the Cow Springs formation along State Route 566.

ACTION ITEMS: There were no action items.

ATTACHMENTS:

1. Meeting Agenda
2. Attendee List
3. Meeting Handouts

MEETING AGENDA
Hydro Resources, Inc.
Tuesday, April 24, 2007
8:00 a.m. - 5:00 p.m.

MEETING PURPOSE: To discuss NRC License SUA-1580 and conduct site tour for NRC staff for properties licensed in SUA-1580.

MEETING PROCESS:

<u>Time</u>	<u>Topic</u>	<u>Lead</u>
8:00 a.m.	Introductions	All
8:05 a.m.	Discussion of HRI License	All
8:30 a.m.	Begin site tour. There is no specific time when NRC and Hydro Resources, Inc., will be at various sites and there is no agenda planned for each stop. For members of the public interested in attending this meeting, please meet at the location listed in the meeting notice before the site tour begins. Members of the public can follow in their vehicles and attend the tour as it moves from site to site.	
	Summary of Action Items	Moderator
	Public comments/questions	
5:00 p.m.	Adjourn	