November 30, 2007

Candace Head-Dylla
Bluewater Valley Downstream Alliance
6 Ridgerunner Road
Grants, NM 87020

SUBJECT: E-MAIL "PROPOSED ..... URANIUM MILL IN GRANTS"

Dear Ms. Head-Dylla:

This letter is in response to your e-mail sent to me October 15, 2007, outlining several concerns in response to the public announcement by Uranium Resources, Inc. (URI) of its purchase of Rio Algom Mining LLC (RAML).

The United States Nuclear Regulatory Commission (NRC) is aware of URI's October 12, 2007 announcement that it has entered into an agreement to purchase RAML. URI's announcement indicated its interest in the Ambrosia Lake Mill Tailings site and its desire to transfer RAML's NRC license to URI, amend the license, and construct a new conventional mill on the existing site.

RAML currently holds NRC License SUA-1473. If this purchase proceeds as indicated, the first NRC regulatory requirement would be the filing of an application to the NRC for a license transfer from RAML to URI. At this time, no such application has been submitted. Accordingly, your request for a hearing on this matter is premature. If a license transfer request is received, the notice of receipt of the application will be posted on the NRC Web site, http://www.nrc.gov. An opportunity to request a hearing on the transfer would later be provided. You are correct that Subparts C and M of 10 CFR Part 2 would govern any adjudicatory hearing that may be held on a license transfer.

Long-term custodial care for uranium mill tailings sites closed under Title II of the Uranium Mill Tailings Radiation Control Act of 1978, as amended, is authorized by the general license contained in 10 CFR 40.28. The Department of Energy (DOE) will likely eventually be the long-term custodian of any tailings cells at the Ambrosia Lake site. The State of New Mexico, or another Federal agency designated by the President, can also serve as a long-term care custodian, but to date, no State or other Federal agency has taken on this responsibility. As part of the 40.28 process, the DOE submits a Long-term Surveillance Plan (LTSP) to the NRC. The general license is not effective until the NRC reviews and approves the LTSP.

Groundwater alternate concentration limits (ACL's) were approved for the Rio Algom Ambrosia Lake site on February 24, 2006. Records relating to the ACL approval and the Ambrosia Lake site can be found at http://www.nrc.gov/reading-rm.html. The docket number for the Ambrosia Lake site is 040-08905 that may be helpful when searching for documents.

If you have additional questions, please contact me at 301-415-7777, e-mail rcl1@nrc.gov, or Tom McLaughlin, Rio Algom Ambrosia Lake Project Manager, at 301-415-5869, e-mail tgm@nrc.gov.

Sincerely,

/RA/

Ron Linton, Project Manager
Uranium Recovery Licensing Branch
Decommissioning and Uranium Recovery
Licensing Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket Nos: 040-08905, 040-08903

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Docket Nos: 040-08905, 040-08903

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