

CROW BUTTE RESOURCES, INC.

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October 29, 2007

Mr. Stephen J. Cohen, Project Manager
Decommissioning and Uranium Recovery Licensing Directorate
Division of Waste Management and Environmental Protection
Office of Federal and State Materials and Environmental Management Programs
U.S. Nuclear Regulatory Commission
Mail Stop T7E18
Washington D.C. 20555-0001

Subject: Response to letter dated August 28, 2007 - Acceptance Review, License Amendment application for the North Trend expansion area, Crow Butte Resources, Inc., Crawford, Nebraska, SUA-1534 (TAC J00523)

Dear Mr. Cohen:

By letter dated August 28, 2007, the U.S. Nuclear Regulatory Commission (NRC) staff, upon review of the license amendment for the North Trend expansion area, requested additional information regarding financial assurance estimates for this expansion and a discussion of releases due to spills, leaks, and line ruptures at the current facility.

NRC identified that CBR did not provide a financial assurance estimate, as part of its Wellfield Decommissioning Plan. In the *North Trend Technical Report, Volume I, Section 6.6* CBR discusses financial assurance. Currently, CBR maintains an NRC-approved financial surety arrangement consistent with 10 CFR 40, Appendix A, Criterion 9 to cover the estimated costs of reclamation activities. Furthermore, License Condition 9.5 states that CBR cannot begin construction on an expansion unless NRC staff receives an updated surety with supporting documentation 90 days prior to commencing construction. CBR acknowledges that prior to any construction in an expansion area an updated surety estimate with current costs will be submitted to NRC 90 days prior to commencing construction.

In the February 1998 Environmental Assessment (EA) for Renewal of Source Material License # SUA-1534, CBR describes in Sections 6.2 and 6.4 the operating procedures used to minimize the potential failure of pipelines and the potential failure of injection or production well casing.

In Section 6.2, CBR states that all pipelines from the plant, as well as that to and within the wellfields are buried to avoid freezing. All pipeline welds are tested at operating



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pressures prior to burial and the start of production flow. Each wellfield has a number of wellhouses where injection and recovery lines are monitored continuously. Individual lines have high and low flow alarms, and all set points and alarms are monitored by computer in the control room. In addition, each wellhouse has an alarm system to detect spills within the house. In this way, small, occasional leaks at joints and fittings for pipes in the wellhouses can be detected and repaired as needed.

Section 6.4 describes the procedures used to minimize leaks from the potential failure of an injection or production well casing. To minimize the likelihood of such leaks, CBR pressure-tests wells for integrity following initial completion, after testing and certain types of maintenance, and at least once every five years during a well's operational lifetime. CBR has also performed subsurface investigations to determine whether groundwater or subsurface soils have been contaminated by leaking wells.

License Amendment 13, Crow Butte Resources *In Situ* Leach Facility, License # SUA-1534 (September 2002), outlines in Section 12.2 the reporting and record keeping requirements for spills, leaks, and line ruptures. CBR has a procedure which evaluates the consequences of each spill against 10 CFR 20, Subpart "M," and 10 CFR 40.60 reporting criteria. All spills are documented and the information includes; date, volume, total activity of radionuclides released, radiological survey results, soil sample results (if taken), corrective actions, results of post remediation surveys (if taken), and a map showing the spill location and the impacted area. This information is kept current and is reviewed by NRC staff during the annual site inspection.

If you have any questions, please feel free to contact me at (720) 879-5518 or Larry Teahon at (308) 665-2215 ext 114.

Sincerely,
CROW BUTTE RESOURCES, INC.

A handwritten signature in cursive script that reads "Steve Collings". The signature is written in black ink and is positioned below the typed name.

Steve Collings
President

Attachments: As Stated

cc: Steven A. Fischbein, NDEQ
Jim Stokey, CBR
Larry Teahon, CBR