UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
URANIUM RECOVERY FIELD OFFICE
BOX 25325
DENVER, COLORADO 80225

OCT 2 1989

URFO:GRK
Docket No. 40-8943

Mr. Andrew B. Reid
Attorney at Law
HC75, Box 33B
Chadron, Nebraska 69337

Dear Mr. Reid:

This acknowledges receipt of your September 11, 1989 letter addressed to Mr. Gary Konwinski of my staff. Your correspondence again raises the issues of potential fractures and faulting at the Crow Butte site, foreign ownership and participation in the Ferret operation as well as the need for an environmental impact statement. Our letter to you dated August 24, 1989, has already addressed the substance of these issues.

We appreciate your concern on the potential for fracturing and associated faulting at the Crow Butte site. As noted previously to you in our August 24 letter, our technical specialists have studied these areas during the preparation of environmental reports in conjunction with aquifer testing, as well as in response to the documents you recently submitted to our office. The operational data for the research and development site and the aquifer testing supply sufficient data to design a monitoring program to provide early warning should confinement be less than ideal. We also note that a letter, subsequent to the one you provided from Mr. Steve Smith, indicates that he now believes that there is sufficient confinement and proposed monitoring to allow safe operation of the Crow Butte project.

We have previously responded to your correspondence concerning foreign involvement in our August 24 letter.

The uranium resources which exist in the Nebraska panhandle are now well known; however to date, the Crow Butte project represents the only application for uranium recovery in that area. Should future applications be submitted by potential licensees, the Commission will process those applications in accordance with requirements in effect at that time. Environmental analyses are required as a part of that process.

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As we indicated in our August 24 letter, appropriate environmental, health and safety issues associated with the proposed commercial project are being factored into our decision relative to licensing the Crow Butte site for commercial solution mining. The issues you raised have been considered as appropriate in our licensing analysis.

Sincerely,

Ramon E. Hall
Director

cc: Ferret
NDEC
EPA, Kansas City

8943/GRK/89/09/27/L

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CONCURRENCE:		DATE:
GKonwinski/URFO/lv	GRK	9-29-89
EHawkins/URFO	EHA	9/29/89
REHall/URFO	REH	10/2/89