

September 9, 2008

Mr. Terry L. Fletcher, President
Rio Algom Mining LLC
P.O. Box 218
Grants, NM 87020

SUBJECT: AMENDMENT 59 TO RIO ALGOM MINING LLC'S SOURCE MATERIALS
LICENSE SUA-1473, SITE EROSION PROTECTION MEASURES FROM
SURFACE WATER FLOW IN THE ARROYO DEL PUERTO (TAC J00508)

Dear Mr. Fletcher:

The U.S. Nuclear Regulatory Commission (NRC) staff has completed its review of a Rio Algom Mining LLC (Rio Algom) request to amend NRC Source Materials License SUA-1473, dated October 24, 2007. By this submittal, Rio Algom provided *Site Erosion Protection Measures From Surface Water Flow in the Arroyo Del Puerto* for its Ambrosia Lake Mill Facility, Ambrosia Lake, New Mexico. This submittal was supplemented by Revision 1, dated January 2008, and Amendment 1 to Revision 1, dated March 2008.

In reviewing this request, the NRC completed an Environmental Assessment (EA), which concluded in a Finding of No Significant Impact (FONSI). The EA and FONSI were published in the *Federal Register* on August 8, 2008 (73 FRN 46337-46339). NRC staff also has completed a Technical Evaluation Report (Enclosure 1) and has found Rio Algom's plan acceptable. Therefore, pursuant to Title 10 of the Code of Federal Regulations, Part 40, Source Materials License SUA-1473 is hereby amended by adding License Condition No. 43 which states: "The licensee will construct the site erosion protection measures from surface water flow in the Arroyo Del Puerto according to the design approach and calculation methods contained in Amendment 1 to Revision 1 of *Site Erosion Protection Measures From Surface Water Flow in the Arroyo Del Puerto*, dated March 2008." All other conditions of this license shall remain the same. The enclosed license is being reissued to incorporate the above modification (Enclosure 2). The reference to License Condition 34 C in License Condition 13 has been deleted since License Condition 34 C was deleted by Amendment No. 56. In addition, based on actions taken to date, the first sentence of License Condition No. 37 E has been deleted.

If you have any questions regarding this letter, please contact Tom McLaughlin at (301) 415-5869 or via e-mail to TGM@nrc.gov.

T. Fletcher

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In accordance with 10 CFR 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 (PARS) 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> (the Public Electronic Reading Room).

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.: 40-8905
License No.: SUA-1473

Enclosures:

1. Technical Evaluation Report
2. Amendment No. 59 to License SUA-1473

cc: Georgia Cleverley, NMED
Kevin Myers, NMED
Tom Pauling, DOE - Grand Junction

T. Fletcher

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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.: 40-8905
License No.: SUA-1473

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1. Technical Evaluation Report
2. Amendment No. 59 to License SUA-1473

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