



December 15, 2009

Mr. Charles L. Miller
Office of Federal and State Materials and
Environmental Management Programs
U.S. Nuclear Regulatory Commission
Two White Flint North, Mailstop T8D22
11545 Rockville Pike
Rockville, MD 20852

Subject: Rio Grande Resources
Mt. Taylor Mine
Prospective Conventional Uranium Mill

Dear Mr. Miller:

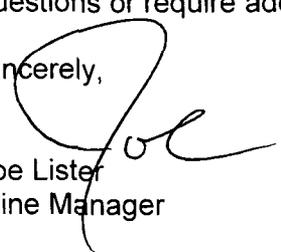
In a letter dated March 21, 2008, Rio Grande Resources (RGR) notified you of its intent to submit a license application for a conventional uranium mill and tailings disposal facility in New Mexico. At that time, the plan anticipated an early submittal date in 2010. This letter is to update RGR plans with regard to that license application.

The downturn in the uranium market following RGR's notice of intent has delayed the license application by at least one year. Due to the magnitude of the capital investment to bring the Mt Taylor property into production, RGR opted to delay development of the license application until the market forecast is favorable.

During the latter part of 2008 and all of 2009, RGR continued to maintain the permits necessary to operate the mine at Mt. Taylor including renewal of some and studies that are necessary to renew others. RGR expects approval from the State in the near term on a water treatment study planned for the spring of 2010. This study is needed for the final design of the water treatment plant to be used for mine dewatering and operations following restart. Presently, RGR is preparing a plan for development of the license application, including the environmental work at the proposed mill site, with an expected start in the first half of 2010. It is our intent to open discussions with your staff about our project early in 2010.

Please contact myself at 505.287.7971 or Craig Harlin at 918.681.4982 if you should have any questions or require additional information.

Sincerely,



Joe Lister
Mine Manager

XC: Amory
Craig
Ron Linton



RIO GRANDE RESOURCES

PO BOX 1150, GRANTS, NEW MEXICO



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