

August 13, 2010

TO: Docket File 40-9081

THRU: Bill VonTill, Chief
Uranium Recovery Licensing Branch
Decommissioning and Uranium Recovery
Licensing Branch
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

FROM: Douglas T. Mandeville, Project Manager **/RA/**
Uranium Recovery Licensing Branch
Decommissioning and Uranium Recovery
Licensing Branch
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

SUBJECT: MARQUEZ PROJECT SITE VISIT

On July 15, 2010, the U.S. Nuclear Regulatory Commission (NRC) staff conducted a site visit of the Marquez Project, a conventional uranium recovery facility being developed in McKinley County, New Mexico, by Neutron Energy, Inc. Enclosed is a trip report for this site visit. No regulatory issues or safety concerns were identified during the site visit.

Docket Number: 40-9081

Enclosure: NRC Trip Report

cc w/enclosure:
R. Linton, URLB
S. Cohen, URLB
J. Whitten, RIV
L. Gersey, RIV
K. McConnell, DURLD

August 10, 2010

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OFC	DWMEP	DWMEP	DWMEP	DWMEP
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DATE	07/26 /10	08/ 5 /10	08/ 5 /10	08/13 /10

OFFICIAL RECORD COPY

U.S. Nuclear Regulatory Commission Trip Report

Docket No.: 040-9081

Applicant: Neutron Energy, Inc.

Facility: Marquez

Location: McKinley County, New Mexico

Date: July 15, 2010

Staff : Douglas T. Mandeville, Project Manager
Uranium Recovery Licensing Branch
Decommissioning and Uranium Recovery
Licensing Branch
Division of Waste Management
and Environmental Protection
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Terry L. Johnson, Surface Water Hydrologist
Special Projects Branch
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Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Approved By: Bill VonTill, Chief
Uranium Recovery Licensing Branch

NRC Trip Report

Background

On March 25, 2008, Neutron Energy, Inc. submitted a notice of intent to submit a source material license application to the U.S. Nuclear Regulatory Commission (NRC) for review and approval. The applicant is preparing an application to build and operate a conventional uranium recovery facility in McKinley County, New Mexico.

Site Status

The Marquez project site is located on Township 13N, Range 4W, Sections 31 and 32, off of State Route 279. The project site is approximately 20 air miles north of Laguna, New Mexico. In the 1970s and 1980s, Bokum Resources (Bokum) constructed a mill and part of a tailings disposal facility. The facility never operated and the mill components were dismantled and removed from the site. Portions of the foundations of the mill buildings and perimeter berm for the tailings disposal facility remain at the site. While some documents related to Bokum are available in ADAMS Legacy files, the facility design and construction occurred during the time period that New Mexico was an Agreement State for uranium recovery facilities.

At the time of the site visit, Neutron was in the process of collecting data from an on-site meteorological station. Neutron was also preparing to collect baseline data following the recommendations in Regulatory Guide 4.14.

The staff visited the location of the old Bokum mill and potential site of the tailings disposal facility. The staff was able to observe the condition of the surface water drainage features in the area: Canon de Marquez, Arroyo Hondo, Canon se Santa Rosa, Canon Seco, and the diversion channel constructed for the Bokum tailings disposal facility.

The staff took several photos of the site during the visit; these photos are provided in Attachment 1.

Neutron provided a small package of information about the site containing several maps, drawings, and historical photos of the project site. This package is included as Attachment 2 to this trip report.

Neutron Energy Inc. Officials Contacted

Mike Neumann, Vice President of Environment

Rock Karlson, Manager Project Development

Jim Newton, Mine Engineer

Thomas Kerr, P.E., President, Knight Piesold Consulting (consultant to Neutron Energy)

ATTACHMENT 1
PHOTO LOG







ATTACHMENT 2
INFORMATION ABOUT MARQUEZ SITE