
From: Mike Neumann [mneumann@neutronenergyinc.com]
Sent: Monday, June 20, 2011 3:45 PM
To: Linton, Ron
Cc: Cohen, Stephen; 'Rick Karlson'; 'Jim Graham'; 'Mark Ludwig'; 'Smith, Tyson R.'
Subject: Juan Tafoya mill site, Docket No. 04009081
Attachments: June 20-2011 Ron Linton re test work.pdf

Ron,
Attached is a letter summarizing Neutron's plans for testing the existing mill foundation structures and implementing field work on the site hydrologic characterization program previously presented to NRC. Please give me a call if there are any questions.

Michael R. Neumann
VP Environment



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June 20, 2011

Mr. Ron Linton
Project Manager
Office of Federal and State Materials and Environmental Management Programs
U.S. Nuclear Regulatory Commission
Mail Stop T-8F5
Washington, DC 20555-0001

RE: Docket No. 04009081, Juan Tafoya Mill Project, Sandoval County, New Mexico

Dear Mr. Linton:

As a follow up to our recent telephone conversation, please be advised that Neutron Energy Inc. (Neutron) intends to evaluate the concrete foundation structures constructed by Bokum Resources for the mill previously located on the Juan Tafoya site. When the previous mill was decommissioned in 2000, the concrete foundations and underdrain trenches were carefully covered with clean fill material in a manner intended to preserve the integrity of the structures for future use (for a new mill). Neutron intends to use a small backhoe or similar mechanical equipment to perform limited excavation in/around portions of the existing foundations and trenches, observe their present condition, and obtain concrete core samples for laboratory testing. These testing procedures are essential to evaluate the suitability of the existing structures for re-use and obtain background information necessary for a complete source material license application. It is our understanding that no NRC approval for this activity is required.

In addition, as part of our overall mill and tailings site characterization work, we intend to initiate the hydrology program described in our November 6, 2008 presentation to NRC staff in the next two or three months. This work will include the drilling and completion of approximately 12-15 monitor wells in the proposed tailings basin area, installation of a Parshall flume in the Canon de Marquez, and installation of automated surface water samplers in the normally dry drainages found within the project area. The intent of this site characterization work is to obtain all information required to satisfy NRC source material license application requirements, in accordance with relevant and applicable NRC guidelines (e.g. RG 3.8, RG 3.5 (aka DG 3024), and RG 4.14). As with the foundation testing work, it is our understanding that no NRC approval is needed for this testing activity as it is an essential part of site characterization requirements and has no nexus to radiological issues or concerns.

Finally, by way of this letter, Neutron confirms that we are still targeting a late second quarter or early third quarter 2012 license application date for the Juan Tafoya mill. The information in this letter is presented for NRC information as no NRC actions are requested. However, any NRC staff who happen to be in the project vicinity when the work is being done are certainly welcome to come observe. Should you have any questions, please call me at 303-531-0470.

Sincerely,

A handwritten signature in black ink that reads "Michael Neumann". The signature is written in a cursive, flowing style.

Michael R. Neumann
Vice President, Environment

cc: Mr. Steve Cohen, NRC
Mr. Rick Karlson, Neutron