



RELATED CORRESPONDENCE
UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

DOCKET NUMBER
BYPRODUCTS 40-8968-ML
DOCKETED
USMRC

May 20, 1998

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OFFICE OF SECRETARY
RULEMAKING AND
ADJUDICATIONS STAFF

Ms. Jenni Denetsone, Area Realty Officer
Bureau of Indian Affairs
Navajo Area Office
Real Estate Services
PO Box 1060
Gallup, NM 87305-1060

SUBJECT: HISTORIC PROPERTIES ON PORTIONS OF THE HYDRO RESOURCES, INC.
URANIUM MINING PROJECT AREAS

Dear Ms. Denetsone:

As indicated in the enclosed letter to Dr. Lynne Sebastian, dated May 20, 1998, the U.S. Nuclear Regulatory Commission (NRC) staff is consulting with the New Mexico State Historic Preservation Officer (SHPO) pursuant to the National Historic Preservation Act (NHPA). The consultation regards a portion of the proposed Hydro Resources, Incorporated (HRI) uranium mining project located in Sections 8 and 17 (T16N, R16W) about seven miles north of Church Rock, New Mexico; and Section 12 (T17N, R13W), located about two miles north of Crownpoint, New Mexico. NHPA Section 106 and the regulations through which it is implemented (36 CFR 800) require federal agencies to take into account the effects of undertakings on any historic properties eligible for, or listed in, the *National Register of Historic Places*.

As documented in the Museum of New Mexico's Office of Archaeological Studies report (OAS Report) (see letter addressed to your office dated June 19, 1997, enclosing a copy of the OAS Report), historic properties eligible for inclusion in the *National Register* were found in Section 8 (T16N, R16W) and Section 12 (T17N, R13W). No such properties were found on Section 17 (T16N, R16W). No traditional cultural properties were identified at or near any of these project areas. As discussed more fully in the enclosed letter to Dr. Sebastian, the NRC staff proposes to determine that any HRI undertakings on Sections 8 and 12, as described above, would have no effect on the historic properties located there.

The NRC staff will consider any written comments you submit within 15 days of your receipt of this letter with respect to this proposed determination of no effect.

The NRC staff is also consulting with Dr. Alan Downer, the Director of the Navajo Nation Historic Preservation Department, as reflected in the enclosed letter to him dated May 20, 1998. This consultation regards the above-described Section 17, on which no historic properties eligible for inclusion in the *National Register* were found. Regarding this finding, the NRC staff will consider any written comments you submit within 15 days of your receipt of this letter.

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J. Denetsone

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If you have any questions, please contact Mr. Robert Carlson, NRC's Project Manager of the HRI mining project, at (301) 415-8165.

Sincerely,



Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Enclosures: As stated *

cc: Service list attached *Copies of the enclosures are included in your package

cc: for letter dated 5/20/98

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