



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 E. LAMAR BLVD
ARLINGTON TX 76011-4511

July 21, 2016

Mr. Larry L. Teahon
Manager of Safety, Health,
Environment & Quality
Crow Butte Resources, Inc.
86 Crow Butte Road
Post Office Box 169
Crawford, NE 69339-0169

SUBJECT: CROW BUTTE RESOURCES RESPONSE TO NOTICE OF VIOLATION;
NRC INSPECTION REPORT 040-08943/2016-001

Dear Mr. Teahon:

On April 12, 2016, the U.S. Nuclear Regulatory Commission (NRC) cited Crow Butte Resources for its failure to sample the underdrains of a leaking pond and failure to submit a corrective action plan for the pond to the NRC in a timely manner. The NRC Notice of Violation (Agencywide Documents Access Management System [ADAMS] Accession Number ML16092A101) required you to respond in writing within 30 days. Mr. Bob Tiensvold, Mine Manager, responded to the Notice of Violation by letter dated May 18, 2016 (ML16155A164).

We reviewed your response, and we initially concluded that your response did not adequately address one of two non-compliances as described in the Notice of Violation. In order to complete our review, we contacted you by telephone on July 13, 2016, for additional information about underdrain sampling.

License Conditions 11.4 (prior to renewal of License SUA-1534 on November 5, 2014) and 11.9 (after renewal of the license) require you to sample and analyze the water quality in the affected standpipe of a leaking pond once every 7 days during the leak period. In your letter dated May 18, 2016, you stated that site staff discontinued sampling of Pond 4 on July 2, 2014, after your staff discovered that the pond liner may be leaking. You discontinued sampling, in part, because the fluid consisted mainly of precipitation water, making the underdrains a poor indicator of water movement. You issued a memo-to-file noting the gap in the data collection.

However, your response letter did not clearly state how you would comply with the 7-day sampling requirement specified in the license during the time frame that Pond 4 was out of service. During the telephone call, you stated that site staff resumed sampling of the underdrains of the leaking pond on June 8, 2016, and that site staff will continue to sample the underdrains in accordance with license requirements until the pond has been repaired. Based on the information provided in your letter and the conference call, the NRC staff concluded that your short-term corrective actions are acceptable.

L. Teahon

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As a long-term corrective action, you stated during the call that you planned to request a revision to License Condition 11.9, and the corresponding Evaporation Pond Onsite Inspection Program dated February 5, 1996 (ML16196A380), that may also include a change to the underdrain sampling requirements while an evaporation pond is out of service.

In addition, by letter dated May 18, 2016, Mr. Tiensvold stated that any proposed deviation from license conditions will be identified in the licensee's corrective action plan. As we discussed with you during the July 13, 2016, telephone call, the NRC staff expects that all deviations from the license will be submitted to the NRC for review and approval prior to implementation.

In summary, the NRC staff have concluded that information regarding: (1) the reason for the violations; (2) the corrective actions that have been taken and the results achieved; and (3) the date when full compliance will be achieved is addressed on the docket by letter dated May 18, 2016, as supplemented by the information provided in the July 13, 2016, telephone call. Therefore, you are not required to respond to this letter unless the description herein does not accurately reflect your corrective actions or your position. We will review your implementation of these corrective actions during a future inspection to determine whether full compliance has been restored and whether compliance will be maintained.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice and Procedure," a copy of this letter will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions concerning this letter, please contact Dr. Robert Evans, Senior Health Physicist, at 817-200-1234, or the undersigned at 817-200-1197.

Sincerely,

/RA/

Jack E. Whitten, Chief
Fuel Cycle and Decommissioning Branch
Division of Nuclear Materials Safety

Docket: 040-08943
License: SUA-1534

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Distribution
See next page

ADAMS ACCESSION NUMBER: ML 16204A376

<input checked="" type="checkbox"/> SUNSI Review By: RJE	ADAMS <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Publicly Available <input type="checkbox"/> Non-Publicly Available	<input checked="" type="checkbox"/> Non-Sensitive <input type="checkbox"/> Sensitive	Keyword:
OFFICE	RIV:DNMS:FCDB	C:FCDB		C:FCDB
NAME	RJEvans	BDBaca		JEWhitten
SIGNATURE	/RA/	/RA/		/RA/
DATE	07/19/16	07/19/16		7/21/16

OFFICIAL RECORD COPY

Letter to Larry L. Teahon from Jack E. Whitten dated July 22, 2016

SUBJECT: CROW BUTTE RESOURCES RESPONSE TO NOTICE OF VIOLATION;
NRC INSPECTION REPORT 040-08943/2016-001

Distribution

DNMS Director (Mark.Shaffer@nrc.gov)
DNMS Deputy Director (Linda.Howell@nrc.gov)
FCDB Branch Chief (Jack.Whitten@nrc.gov)
FCDB Inspector (Bernadette.Baca@nrc.gov)
FCDB Inspector (Rachel.Browder@nrc.gov)
FCDB Inspector Robert.Evans@nrc.gov)
FCDB Inspector (Linda.Gersey@nrc.gov)
FCDB Inspector (Martha.Poston-Brown@nrc.gov)
ACES (John.Kramer@nrc.gov)
ACES (Christi.Maier@nrc.gov)
R4Enforcement.Resources@nrc.gov
NMSS/DUWP/URLB (Ronald.Burrows@nrc.gov)
NMSS/DUWP/URLB (Jose.Valdes@nrc.gov)
NMSS/DUWP/URL (Bill.VonTill@nrc.gov)

Julia Schmitt, Manager
Nebraska Department of Health & Human Svcs
Division of Public Health
Office of Radiological Health
P.O. Box 95026
Lincoln, NE 68509-5026

David Miesbach, PG
Groundwater Unit Supervisor
Water Quality Division
Nebraska Department of Environmental Quality
1200 N Street, Suite 400
P.O. Box 98922
Lincoln, NE 68509-8922

Public Document Room
Upper Niobrara-White Natural Resources District
805 East Third
Chadron, NE 69337