



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BOULEVARD
ARLINGTON, TEXAS 76011-4511

November 19, 2018

MEMORANDUM TO: Troy W. Pruett, Director
Division of Nuclear Materials Safety

THROUGH: Janine F. Katanic, PhD, CHP, Chief /RA/ 11/18/18
Fuel Cycle and Decommissioning Branch

FROM: Marti R. Poston, Health Physicist /RA/ 10/25/18
Fuel Cycle and Decommissioning Branch

SUBJECT: HYDRO RESOURCES, INC. – CROWNPOINT URANIUM
PROJECT

This memorandum serves to document Region IV staff's rationale to not include the Hydro Resources, Inc. Crownpoint Uranium Project (Crownpoint), located in McKinley County, New Mexico, in the routine uranium recovery inspection schedule. Crownpoint has not been inspected since the NRC license was issued on January 5, 1998. After the Crownpoint license was issued in 1998, it was subject to a lengthy Atomic Safety Board review, Commission review and Federal Court review. All legal reviews were completed November of 2010.

In August 2018, Region IV staff performed a self-assessment of the Region IV uranium recovery inspection program. During the self-assessment, it was identified that no documentation had been generated by Region IV inspectors explaining the rationale for not performing inspections at Crownpoint after the NRC license for uranium recovery operations had been issued. The Crownpoint site has had no active operations since the license was issued in 1998 due to: (1) the legal reviews mentioned above; (2) the need for a license renewal; (3) revisions to the Environmental Report and Consolidated Operations Review, and; (4) a change in control of the site.

NRC Inspection Manual Chapter 2641 (MC 2641), "In-Situ Leach (ISL) Facilities Inspection Program," states that "Inspections during the construction and pre-operational phase of a facility will be conducted on a case-by-case basis. Pre-operational inspections will be conducted at least once before startup of facility operations."

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Since the issuance of the Crownpoint license, the NRC Project Manager for the license has been in routine contact with the licensee to maintain awareness of any site activities. The NRC Project Manager and the Region IV uranium recovery inspection staff have discussed the status of the site on a routine basis. During these discussions, it was understood by Region IV staff that this licensee had not commenced construction activities, or entered into a pre-operational phase, or commenced licensed activity at the site. Based on this routine sharing of information, the facility was not scheduled for inspection after the license was issued or at any point thereafter.

Based on the self-assessment, a corrective action was initiated to directly contact the licensee and confirm Region IV's understanding that no construction activities, pre-operational activities, or NRC-licensed activities had occurred since the license was issued. The licensee confirmed by email dated September 28, 2018, that no construction or pre-operational activities have occurred at the site since the license was issued in January of 1998. Based on this confirmation, the NRC concluded that the licensee had not initiated any activities that would have warranted an NRC inspection as described in MC 2641.

The Fuel Cycle and Decommissioning Branch staff will annually, review the site status with the licensee and the NRC Project Manager and re-evaluate whether an inspection of the Crownpoint site is warranted. The results of the annual re-evaluation will be documented and reviewed by Division of Nuclear Materials Safety management. Inspections of the site will be scheduled once the NRC Project Manager and the licensee indicate that construction, pre-operational or licensed activities are planned or have commenced at the site.

Docket No.: 040-08968
License No.: SUA-1580

HYDRO RESOURCES, INC – CROWNPOINT FACILITY STATUS – DATED November 19, 2018

Distribution:

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