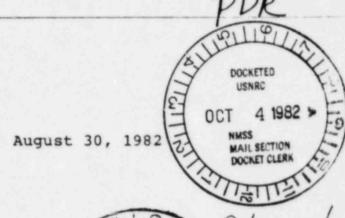
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40-8380

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Mr. Walt Ackerman, Administrator Land Quality Division Department of Environmental Quality 401 West 19th Street Cheyenne, WY 82002

Mr. Bill Garland, Administrator Water Quality Division Department of Environmental Quality 1111 E. Lincolnway Cheyenne, WY 82002

Mr. Ross Scarano, Chief
Uranium Recovery Licensing Branch
Division of Waste Management
U.S. Nuclear Regulatory Commission
7915 Eastern Avenue
Silver Spring, MD 20910

Dear Sirs:

Re: Nine Mile Lake R&D In Situ Project Source Material License SUA-1228; Docket No. 40-8380 DEQ R&D In Situ License TFN 1 5/186 DEQ License to Explore No. LE-4

Attached is Rocky Mountain Energy Company's Ground-water Restoration Report for the Nine Mile Lake R&D in situ uranium mining project. The report describes the operational history and water quality of the acid leach test patterns (Patterns 1,2, and 3) at the Nine Mile Lake site in Natrona County, Wyoming. This report is submitted pursuant to DEQ and NRC requests and in support of RME's position that restoration requirements for the acid patterns have been fulfilled. Restoration of the carbonate leach test (Pattern 4) has been very successful and will be discussed in a separate report.

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Mr. Ackerman Mr. Garland Mr. Scarano August 31, 1982 Page Two

As DEQ and NRC personnel know, RME has withdrawn production scale license applications for this project and has no current plans to continue R&D activities. RME has made considerable improvements in developing effective acid restoration techniques as demonstrated by the relative success of Pattern 3 restoration efforts. At this time, RME does not intend to pursue production scale mining, but improvements in current uranium market conditions or further developments in acid restoration technologies could conceivably justify future project development.

Included in the report are: a summary of leaching, restoration and post-restoration activities for each pattern, baseline and post-restoration water quality data for each pattern, evaluations of probable fate of residual groundwater constituents of particular interest, a regional aquifer impact analysis and a discussion of regulatory agency restoration requirements.

RME requests an expedient review of this report by the NRC and Land and Water Quality Divisions of the DEQ in order to implement appropriate management plans for the project. We would encourage a cooperative agency review of the material presented and suggest a joint meeting of Land and Water Quality Divisions to discuss report contents as soon as practical.

We would also welcome phone calls during the initial review period to answer any questions which arise. Because there is a considerable volume of information and data within the report, verbal communications could help focus review efforts.

Sincerely,

Michael R. Neuman

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Michael R. Neumann Licensing Specialist

Attachment

cc: Mr. K. Kalman (NRC)

Mr. F. Ross(NRC)

Ms. K. Ogle(DEQ-LQD)

Mr. R. Chancellor (DEQ-LQD, District 4)

Mr. A. Mancini (DEQ-WQD)

Mr. T. Mueller (DEQ-WQD, District 4)

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