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Ferret
Exploration
Company of
Nebraska, Inc.



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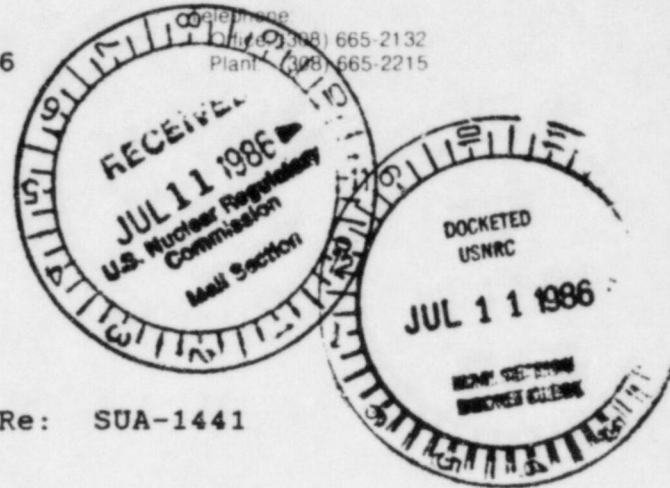
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Crawford, Nebraska 69339

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July 10, 1986

Telephone
Office (303) 665-2132
Plant (303) 665-2215

Ms. Candice Jierree
U.S. Nuclear Regulatory Commission
Uranium Recovery Field Office
Box 25325
Denver, CO 80225



Re: SUA-1441

Dear Ms. Jierree:

On July 7 and 8 Ferret-Nebraska conducted an independent review and audit of the activities and compliance with the source material license for the Crow Butte pilot plant. The following questions, comments and proposed changes in the license resulted:

1. In License Condition 10 reference is made to a supplement dated October, 1983. There are two supplements that were submitted to the USNRC dated October, 1983:
 - a. D'Applonia Report - Aquifer/Aquitard Analysis, and
 - b. Responses to NDEC and USNRC to questions regarding the evaporation ponds.

We are uncertain as to which of these two reports is referenced in License Condition 10.

2. License Condition 12 indicates that the baseline water quality data included in Appendix A of the Environmental Assessment shall be used to establish restoration criteria. Please note that additional baseline water quality data for all wells was submitted on January 28, 1986 and should also be used to establish restoration criteria.
3. License Condition 20 requires that a construction report detailing the construction of the evaporation ponds be submitted. A report and letter that fulfilled this License Condition was submitted to the USNRC on December 18, 1985 and February 4, 1986 respectively.
4. License Condition 23 provides that "any fluid detected in the leak detection system standpipes shall be analyzed". A small amount of condensation is present in the standpipes.

DESIGNATED ORIGINAL

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Certified By Mary C. Hord

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The amount is less than one inch and is not enough to sample. Ferret-Nebraska requests a clarification of "any fluid" to define the amount of water that needs to be present before sampling is required. Ferret-Nebraska estimates that at least six inches of water has to be present in the standpipe before a sample can be collected. A minimum of four ounces of sample representing a casing length of about one inch is needed for the laboratory to perform the required analyses. The depth of water would be determined by a well sounder.

5. License Condition 28 requires submittal of mechanical well integrity tests for the injection/recovery wells. Results of these tests were submitted on January 28, 1986.
6. License Condition 34 requires submittal of the semi-annual ALARA report. Ferret-Nebraska believes that the first ALARA report should cover the first six months of operation. Start up of operations is defined as the injection of lixiviant which should occur during July, 1986, therefore, the first ALARA report would cover July to December, 1986.
7. License Condition 41 requires that Ferret-Nebraska conduct the quality assurance program as described in the submittals dated July 10, 1985 and January 24, 1986. Minor changes are required to the quality assurance program to reflect changes in organization, instrumentation and the bottle list. Ferret-Nebraska should have the ability to make minor changes in the existing quality assurance program with the approval of the Corporate Radiation Safety Officer and Quality Assurance Coordinator and not be required to submit these changes as license amendments.

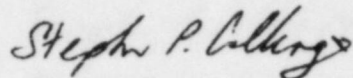
Ferret-Nebraska proposes to add the following sentence to License Condition 41: "Any changes in the Quality Assurance program shall require the approval of the Corporate Radiation Safety Officer and Quality Assurance Coordinator prior to their implementation."

8. License Condition 42 requires that the location of the two observation wells be submitted to the USNRC for review and approval. The location of the two observation wells were submitted in a letter dated June 18, 1985 which is referenced in License Condition 10. The water quality data for the two observation wells was included in the January 28, 1986 submittal.

Ms. Candice Jierree
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If you have any questions regarding these requested clarifications and proposed amendments, please contact me.

Sincerely,



Stephen P. Collings
Vice President

SPC:md

cc: Thor Gjelsteen
Ralph Knode