

August 28, 2007

Mr. Stephen P. Collings
President
Crow Butte Resources, Inc.
141 Union Boulevard, Suite 320
Lakewood, CO 80228

SUBJECT: ACCEPTANCE REVIEW, LICENSE AMENDMENT APPLICATION FOR THE
NORTH TREND EXPANSION AREA, CROW BUTTE RESOURCES, INC.,
CRAWFORD, NEBRASKA, SUA-1534 (TAC J00523)

Dear Mr. Collings:

By letter dated May 30, 2007, Crow Butte Resources, Inc. (CBR) submitted to U.S. Nuclear Regulatory Commission (NRC) staff a request to amend license SUA-1534 to develop uranium resources at the North Trend Expansion Area (North Trend). CBR intends to develop the North Trend resources using *in situ* leach (ISL) techniques, and loaded ion exchange resins from the ISL process will be transported to the central processing plant at the main Crawford, Nebraska, facility. NRC staff has performed its mandatory 90-day acceptance review of the technical and environmental reports included in the application. Based on our review, this application has been formally accepted with conditions for further technical review.

NRC staff identified certain missing items during its acceptance review. First, CBR did not provide a financial assurance estimate, as part of its Wellfield Decommissioning Plan. Financial assurance is required per 10 CFR Part 40, Appendix A. NUREG-1569, *Standard Review Plan for In Situ Leach Uranium Extraction License Applications*, discusses the need for financial assurance information in Section 6.5. However, License Condition 9.5 states that CBR cannot begin construction on an expansion unless NRC staff receives an updated surety with supporting documentation 90 days prior to commencing construction. CBR should recognize that construction delays could occur if NRC staff does not approve a surety update submitted 90 days before construction.

In addition, while CBR identifies excursions that have occurred at its current facility, it does not identify releases due to spills, leaks, and line ruptures. Although the spills occurring to date have not met the reporting criteria per 10 CFR 40.60, License Condition 12.2 requires that CBR document these releases. Furthermore, such releases could result in environmental impacts. Therefore, CBR's application is incomplete without a discussion of releases.

NRC will commence its technical review of the technical and environmental reports; however, we cannot complete this review without the aforementioned release information. CBR should submit the requested information within 60 days of receiving this letter. Failure to submit this information will result in the termination of our review and the return of the application. Because of License Condition 9.5, NRC staff can complete its review without the surety information; however, this information must be submitted prior to construction. CBR should note that our technical review may result in a future request for additional information.

S. Collings

2

If you have any questions regarding this letter, please contact me at 301-415-7182 or, by email, at sjc7@nrc.gov.

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

Sincerely,

/RA/

Stephen J. Cohen, Project Manager
Uranium Recovery Licensing Branch
Decommissioning and Uranium Recovery
Licensing Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket No.: 40-8943
License No.: SUA-1534

cc: S. Fischbein, NDEQ
L. Teahon, CBR

S. Collings

2

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Sincerely,

/RA/

Stephen J. Cohen, Project Manager
Uranium Recovery Licensing Branch
Decommissioning and Uranium Recovery
Licensing Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket No.: 40-8943
License No.: SUA-1534

cc: S. Fischbein, NDEQ
L. Teahon, CBR

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