



August 29, 2007

Mr. Keith I. McConnell, Deputy Director  
Decommissioning and Uranium Recovery Licensing Directorate  
Division of Waste Management & Environmental Protection  
Office of Federal & State Materials & Environmental Management Programs  
Mail Stop T-8F5  
U.S. Nuclear Regulatory Commission  
11545 Rockville Pike  
Rockville, Maryland 20852-2738

Re: Docket No. 40-2259, License No. SUA-672

Dear Mr. McConnell:

Condition 22 of the referenced license requires the submittal of the results of effluent and environmental monitoring in accordance with 10 CFR 40.65. This is to advise you that no effluent or environmental monitoring was done during the first and second quarters of 2007 at the Lucky Mc tailings site, consistent with amendment number 64 to the license. The ground water monitoring results for the first and second quarters, 2007, were submitted to the NRC on July 20, 2007 in a separate report pursuant to condition 60 of the license. Enclosed is the annual land use survey required by condition 21 of the license.

Sincerely,

A handwritten signature in black ink that reads 'Tom Hardgrove'.

T. W. Hardgrove  
Operations Manager

Encls.

cc: D. B. Spitzberg, U.S. NRC – Region IV  
B. Bonifas, PMC

PATHFINDER MINES CORPORATION

Lucky Mc Mine

SUA-672, License Condition No. 21

Annual Land Use Survey Report

August 29, 2007

General land uses within five miles of the Lucky Mc restricted area boundary:

Land uses during 2006-2007 within five miles of the Lucky Mc restricted area boundary did not change significantly from what was reported for the previous year. The nearest (and only) full-time residence continued to be located 4.8 miles to the north-northwest of the northwest corner of the restricted area fence. Two adult individuals live full time at this ranching operation. A domestic water well is utilized at the site. Cattle have been grazing on the adjacent open range during late spring through the fall when they are typically removed for the winter.

A small bentonite mine has been permitted with the Wyoming Department of Environmental Quality approximately one mile east of the east restricted area boundary, but that operation has not been active to date.

Pathfinder activities relating to the restricted area included periodic monitoring of the site status, installation of a new gate at the east side entrance to the restricted area, installation of the permanent granite marker and entrance signs (in anticipation of site transfer to DOE), quarterly well sampling, and some additional site surveying also relating to site transfer to DOE.

Aside from the one noted above, there are no other residences within five miles of the restricted area boundary. No other potable water source was utilized in the area this past year. Livestock and wildlife have utilized surface stock watering ponds which occur within five miles of the restricted area boundary. The closest pond to the restricted area, the mine runoff settling pond immediately to the east of Tailings Pond #1, was fenced during the spring, 2003 to exclude cattle from the pond and the adjacent reclamation. The dam for that pond was intentionally breached in late 2005 as part of the mine reclamation. However, there is residual storage capacity in that pond below the breach spill elevation. There is a stock watering well located just east of Reid Draw some two miles north of the north end of the restricted area.

No uranium mining occurred during the past year in the Gas Hills. Pathfinder's activities at its mine site to the south of the restricted area were limited to mine monitor well sampling and fence maintenance. Contractors to the State of Wyoming also worked on various Abandoned Mine Lands reclamation projects in the Gas Hills. There has been renewed uranium claim staking in the Gas Hills, and at least one company is evaluating the feasibility of starting a conventional open pit uranium mine to the south of the Lucky Mc mill and tailings site on ground adjacent to Lucky Mc Mine.

The primary recreational use of the subject area continued to be the sport hunting of antelope, deer, and sage hens during the fall months, and cottontail rabbits and coyotes from fall through winter.