



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

October 2, 1996

40-8968

Dr. Phillip Shelley
New Mexico State Historic Preservation Officer
Historic Preservation Division (ATTN: Lynne Sebastian)
228 E Palace Avenue
Santa Fe, New Mexico 87501

SUBJECT: NATIONAL HISTORIC PRESERVATION ACT (SECTION 106) SUPPORT REQUEST
FOR HYDRO RESOURCES, INC. CROWNPOINT, NM PROJECT

Dear Dr. Shelley:

The purpose of this letter is to request the assistance of the New Mexico State Historic Preservation Office (NMSHPO) in determining whether the proposed Hydro Resources, Inc. (HRI) in situ leach (ISL) mining project would affect properties eligible for, or listed on the National Register of Historic Places, pursuant to Section 106 of the National Historic Preservation Act (NHPA) of 1966 (as amended through 1992).

The U.S. Nuclear Regulatory Commission (NRC) staff is reviewing a license application submitted by HRI to construct and operate ISL facilities for mining uranium in the vicinity of Crownpoint, NM. Three specific sites would be mined - Church Rock, Unit 1, and Crownpoint (see Attachment A). Initial uranium production would occur at satellite processing facilities which HRI proposes to construct at the Church Rock and Unit 1 sites. Uranium slurry would then be shipped by truck from these satellite facilities to HRI's existing central processing facility at Crownpoint. This proposed activity is described in detail in Attachment B to this letter.

In consultation with Ms. Lynne Sebastian of your staff, NRC is providing information in Attachments C and D that will encompass the first five years of HRI's license term. The proposed overall project includes a large area of land and phased development over a 20-year period. NMSHPO has expressed a preference for evaluating this project incrementally. The development area and buffer zones, which include monitoring wells and peripheral disturbance areas, are hereafter referred to as the five-year project area.

The first step in the NHPA Section 106 process is determining whether the project area contains any sites, structures, or properties listed on or potentially eligible for listing on the National Register. HRI has taken initial steps to identify any of these locations in the five-year project area. A cultural resources consultant to HRI has drafted cultural resource management plans for the Crownpoint (see Attachment E), Unit 1 (see Attachment F), and Church Rock sites (see Attachment G). These plans identify areas within the project area that have previously been subjected to archaeological survey, and archaeological sites that were identified in the course of surveying. A complete bibliography of known archaeological survey reports and management reports is included as Attachment H. However, two shortcomings exist. First, not all of the area has been surveyed for archaeological

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Maps Available in Central File

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resources (see Attachments C and D, which compare the five-year project area to the areas surveyed for archaeological resources). Second, no previous survey work in the project area has attempted to identify traditional cultural properties that are potentially eligible for the National Register.

To remedy the first shortcoming, HRI has committed in its cultural resource management plans to survey all property within its lease area, including verification of previously identified sites. An archaeological research firm, licensed by the state and the Navajo Nation, and who is under contract to HRI, will conduct a Phase I (or Class III, in BLM terms) archaeological survey of those parts of the five-year area that have not previously been surveyed. The survey of Section 12 T17N R13W and the 1977 survey of the Church Rock area (Ford and DeHoff 1977) are suspected to be inadequate. Therefore, the contractor will resurvey these areas with the exception of the southeastern quarter of Section 8 at the Church Rock site, which already has been resurveyed. The contractor also will verify and define the boundaries of sites that were identified in the resurvey of this quarter section, and all other areas within the five-year project area that have been previously surveyed. Attachments C and D indicate the areas that will be surveyed, resurveyed, and those that will be verified. Results of these surveys will be reviewed by the NRC and provided to your office. HRI has also committed, in its cultural resource management plans and in subsequent communications, to a "total avoidance" plan (i.e., all activities would be located so as to avoid any archaeological site).

Steps to remedy the second shortcoming, the absence of information about traditional cultural properties, are currently underway. As the National Environmental Policy Act (NEPA) review process is proceeding ahead of the NHPA Section 106 process, HRI's cultural resource consultant has sought preliminary information about traditional cultural properties from local tribes and pueblos, which are: the Navajo, the Hopi, the Zuni, the Laguna, the Acoma, and the All Indian Pueblo Council. A letter report summarizing the preliminary information received from these parties will be submitted to your office when it is completed. A thorough follow-up of the preliminary information will be conducted by experienced, local ethnographers in conjunction with the archaeological survey work. Cultural resource specialists of some of the aforementioned tribes and pueblos have indicated that the additional archaeological surveys may provide information about traditional cultural properties in the area. Therefore, the final information and report about traditional cultural properties will depend on, and likely be done in conjunction with, the archaeological resources report.

HRI's proposed policy of total avoidance of archaeological resources should preclude the disturbance of human remains. Nevertheless, there is a slight possibility that human remains would be encountered during ground-breaking or ground-disturbing activities. Such finds will be handled on a case-by-case basis through the implementation procedures of the appropriate law, either the federal Native American Graves Protection and Repatriation Act on Indian lands or the New Mexico state law protecting human burials on other lands.

Shelley, P.

-3-

Through the NEPA public scoping process and subsequent cultural resource information collection efforts, some groups already have expressed a desire to be involved as interested parties in the NHPA Section 106 review process. These groups are the Navajo Nation, the Hopi Tribe, and the Pueblo of Zuni. In addition, the Pueblos of Acoma and Laguna, the All Indian Pueblo Council, the Bureau of Land Management, the Bureau of Indian Affairs, and the Navajo Crownpoint and Church Rock Chapter Houses will be notified of the initiation of this review process.

NRC would appreciate a response to this letter from NMSHPO that would include, as necessary, any direction or advice about advancing the review process, and comments about the planned or on-going survey work. If you have any questions concerning this subject, please contact Mr. Robert Carlson of my staff at (301) 415-8165.

Sincerely,

Original Signed By:]

Daniel M. Gillen, Acting Chief
Uranium Recovery Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Attachments: As stated

cc: M. Pelizza, HRI (w/o attach. E,F,G)

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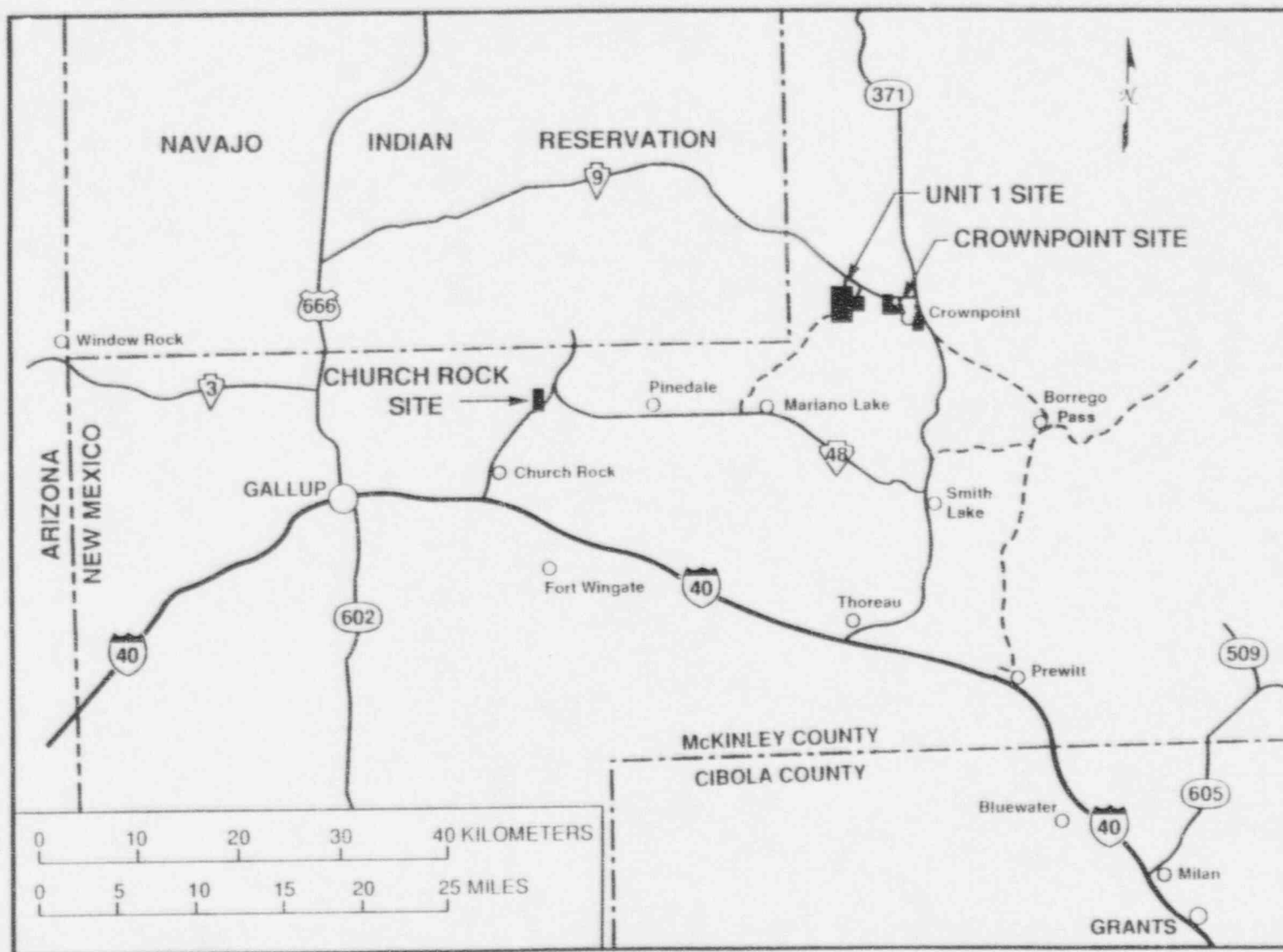


Figure 1.1. Regional index map of west-central New Mexico and the project site locations.

Notification of Project for NHPA Section 106 Review

Date: September 24, 1996

Submitted By: U.S. Nuclear Regulatory Commission
Uranium Recovery Branch
Division of Waste Management
Office of Nuclear Material Safety and Safeguards

Project

Project Name: Construction and Operation of the Crownpoint Uranium In Situ Leach Mining Project, Crownpoint, New Mexico

Location: Three sites in the vicinity of Crownpoint, New Mexico - two of which are in the Crownpoint Chapter of the Navajo Nation, and one in the Churchrock Chapter (see Attachments A and H). The Church Rock site occupies parts of Sections 8 and 17 of T16N R16W. The Crownpoint site occupies part of Section 29 of T17N R12W, parts of Sections 19, 24, and 25 of T17N R13W, and all of Section 12 T17N R13W. The Unit 1 site occupies parts of Sections 15, 16, 21, 22, and 23 of T17N R13W.

Project Proponent

Name: Hydro Resources, Inc. (HRI)

Address: 12750 Merit Drive
Suite 1020, LB 12
Dallas, Texas 75251

or

P.O. Box 777
Crownpoint, New Mexico 87313

Federal Agency

Agency Name: U.S. Nuclear Regulatory Commission (NRC)

License Type: Source material license to commercially produce uranium using *in situ* leach (ISL) mining

Project Description

Proposed Action - The action proposed by the NRC is to issue HRI a license to construct and operate facilities for *in situ* leach uranium mining and processing at the Church Rock, Unit 1, and Crownpoint sites. The *in situ*

leach uranium recovery process, as proposed, involves two primary operations. The first occurs in the well fields, where barren mining solution would be injected through wells into an ore zone, and pregnant lixiviant (solution containing uranium ore) would be withdrawn from projection wells. The second operation occurs at the processing plants where uranium would be extracted from the pregnant lixiviant.

Injection and production wells would be drilled and constructed using standard mud-rotary drilling techniques for deep water wells. The location of the well fields, each of which will have five to seven wells, is somewhat flexible, and with some distance limitations, slant drilling practices can provide access to subsurface areas that are beneath sensitive surface features.

Church Rock and Unit 1 facilities would operate as satellite processing facilities, producing precipitated uranium slurry (also known as yellowcake slurry) for shipment by truck to the Crownpoint site. The Crownpoint facility would operate as the central processing facility for the project, producing yellowcake slurry, as well as drying and packaging the slurry from all three sites for final shipment. Mining of some part of each of the three sites is proposed for the first five years of the license term. Additionally, each site would have a wastewater irrigation area.

Ground disturbance is expected at the drilling locations, at two processing facilities to be constructed (Crownpoint's processing facility already exists), and at wastewater irrigation areas and evaporation ponds at each site. Additionally, Section 12 of T17N R13W is proposed for use as a receiving site for sediment from the Crownpoint processing facility ponds and for wastewater irrigation. A pipeline laid along existing road easements would deliver the wastewater from the Crownpoint site to Section 12.

Alternative Actions - Two alternatives to the proposed action are being considered. One is the no action alternative in which NRC would not issue a license to HRI. Under this alternative, no development would occur. The second alternative is a modified project that would allow development at only one or two of the three proposed sites and/or might include a site other than the Crownpoint facility for yellowcake drying. Sites in New Mexico being considered are the proposed processing facility sites at Unit 1 and Church Rock. In summary, these alternative actions would not include any New Mexico land in addition to that already considered in the proposed action.

Provision for New Construction

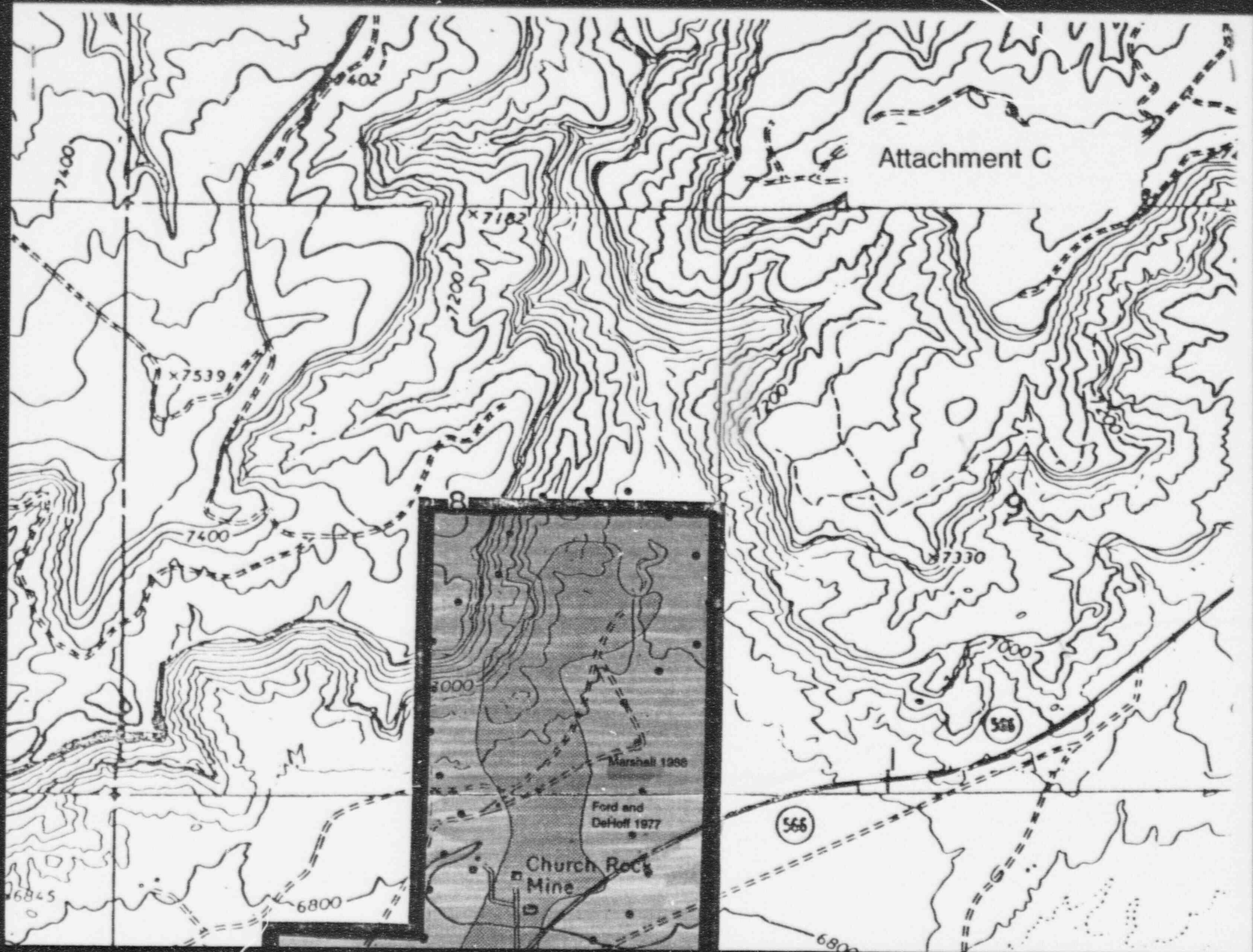
Two new processing facilities, one each at Unit 1 and Church Rock; development of well fields, waste-water irrigation areas, evaporation ponds at all three sites, and access roads to each of these areas; development of a waste-water irrigation area at Section 12 of T17N R13W.

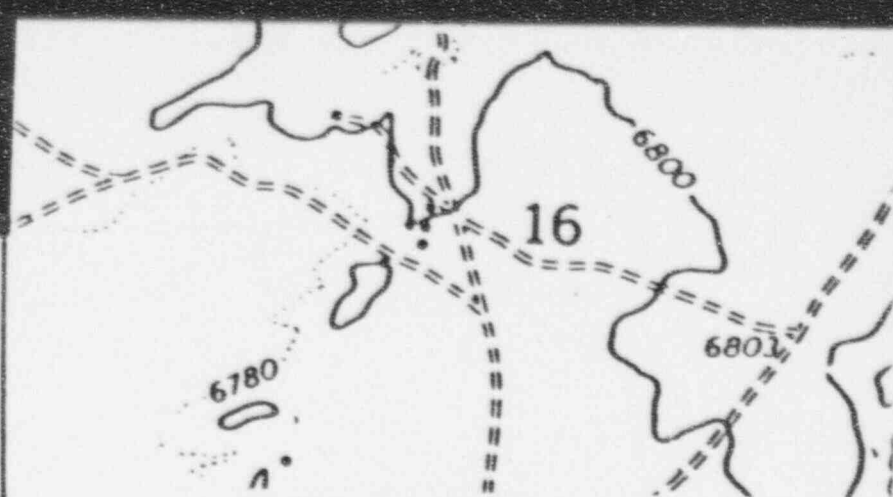
Prior Knowledge of Historic or Archaeological Properties

As identified in previous surveys (see Attachments C, D, and H), and the cultural resource management plans (Attachments E, F, and G).





Project Acreage

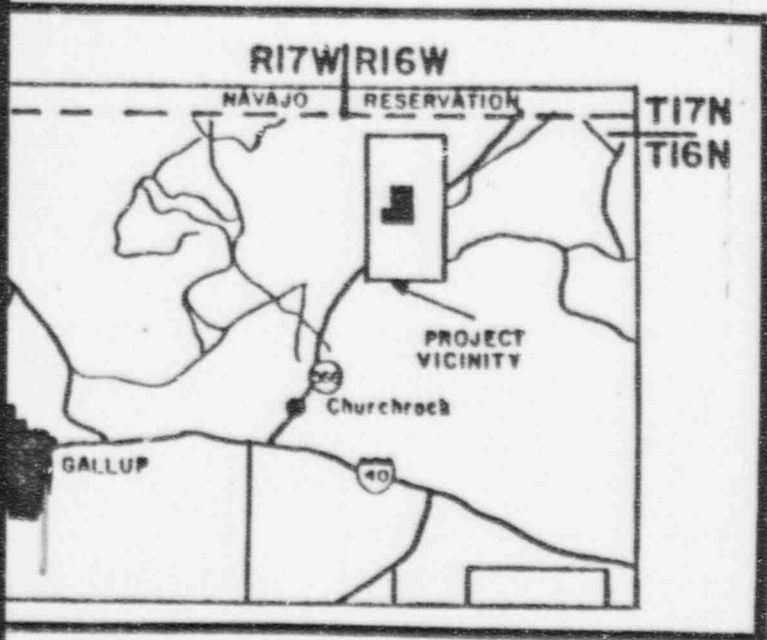
Unit 1 is 1280 acres; Crownpoint is 912 acres; Churchrock is 360 acres; and Section 12 is 640 acres for a total of 3192 acres. The approximate acreage to be developed in the five-year plan is about 1550 acres, which includes almost all of the Churchrock site, approximately 325 acres at Unit 1, 220 acres at Crownpoint, and all of Section 12.





LEGEND

-  unsurveyed area, requires Phase 1 survey
-  previously surveyed area, requires re-survey
-  previously surveyed area, requires verification and identification of site boundaries
-  five-year project area



HYDRO RESOURCES, INC.

CHURCH ROCK PROJECT 5 - 7 YEAR MINING UNIT

Scale: 1" equals 1000'

Dallas, Texas

February 19

T17N

9

6663

10

6738

11

6560

6734

6760

6703

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6832

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6851

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28

27

26

T17N

CR
Marshall 1

R13W

R12W

Attachment D





HRI, INC.

Crownpoint - Unit 1

Revised License Boundary - 3/22/96

1 inch = 2000 feet

LEGEND

-  unsurveyed area, requires Phase 1 survey
-  previously surveyed area, requires re-survey
-  previously surveyed area, requires verification and identification of site boundaries
-  five-year project area

