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Kennecott

December 19, 1996

Mr. Joseph J. Holonich
High Level Waste & Uranium Recovery Projects Branch
Division of Waste Management NMSS (5 E2)
U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20850

**Subject: Sohio Western Mining Company
 L-Bar Uranium Site, NM
 Docket 40-8904
 License SUA-1472
 Hydrogeology Investigation**

Dear Mr. Holonich:

Enclosed is a copy of the Final Report: Hydrogeology Investigation of the L-Bar Uranium Mill Tailings Pile, Cibola County, New Mexico, that was prepared by INTERA for Kennecott Corporation, acting on behalf of Sohio Western Mining Company.

This report consolidates and analyses data collected during several hydrogeological investigations conducted at the L-Bar Site over the past year. The purpose of these investigations was to more fully characterize the hydrologic nature of the tailings pile and the underlying hydrogeologic system, assess the potential effects on water quality from tailings seepage, and to evaluate current and future reclamation at the site.

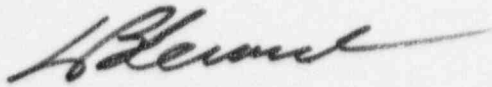
We believe the information presented in this report represents a significant step towards Sohio's objective of proceeding to final closure and transfer of the L-Bar Site to the U. S. Department of Energy for long-term custody.

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✓ Please direct any questions you may have to me at (801) 322-7280, or to Mr. Tom Osborn, INTERA, (512) 346-2000. We look forward to a future meeting with your staff to discuss the results of these investigations and the next steps to be taken.

Sincerely,



David B. Crouch
Director Environment Quality
On behalf of Sohio Western Mining Co.

Enclosure

cc: Linda McLean w/o encl.
Director of Radiation Safety and Safeguards
U. S. Nuclear Regulatory Commission, Region IV
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011

Tom Osborn - INTERA w/o encl.