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United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Navajo Area Office

P. O. Box 1060
Gallup, New Mexico 87305



IN REPLY REFER TO:

500/Environmental Services

DEC 12 1996

Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management, ONMS&S
U.S. Nuclear Regulatory Commission MS T-7J9
Washington, D.C. 20555-0001

Dear Mr. Holonich:

As cooperating agencies, the U.S. Nuclear Regulatory Commission (NRC), Office of Nuclear Material Safety and Safeguards, the Bureau of Land Management (BLM), Branch of Lands and Minerals, and the Navajo Area Office (NAO), Bureau of Indian Affairs, have reviewed the Crownpoint Uranium Solution Mining Project Preliminary Draft Final Environmental Impact Statement (PDFEIS), as proposed by Hydro Resources Incorporated. The Final Environmental Impact Statement provides a basis for a Federal decision for issuing the requested license and proposed leases that would authorize HRI to proceed with the in-situ leach uranium mining operation. The NAO, after assessing the environmental, technical, and potential economic benefits, concurs with the PDFEIS. The Navajo Nation participated in the review of the EIS as an observing agency.

The NAO proposes to further address the Navajo concerns regarding leasing provisions and understands the NRC will be preparing a Safety Evaluation Report (SER) for the proposed project and will further conduct public hearings regarding the project and SER. The BLM Branch of Land and Minerals will also develop an in-situ leach mining plan for the Crownpoint Uranium Solution Mining Project. Based on the environmental and economic assessment contained in the PDFEIS, the NAO makes recommendation to proceed with publication of the final EIS and NRC "licensing decision", normally designated as the "record of decision" in the National Environmental Policy Act.

Should you require additional information on the subject matter, please contact me at (505)863-8314.

Sincerely,

William Barbour
Area Director, Navajo

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