

April 27, 1995

Mr. Mervyn Tilden

[REDACTED]

EX 4

SUBJECT: HYDRO RESOURCES, INC.

Dear Mr. Tilden:

You recently forwarded to the Nuclear Regulatory Commission, by facsimile, a number of pages of various documents containing concerns about Hydro Resources, Inc. (HRI). The documents also made reference to HRI's parent company, Uranium Resources, Inc. (URI). You also stated a concern at a public meeting on February 22, 1995. I have summarized and abbreviated what we understand to be your concerns as follows:

1. Uranium Resources, Inc. (URI) may have followed a practice of lying to the State of Texas (Texas Natural Resources Conservation Commission) and been involved in covering up "accidents."
2. Environmental sampling and recordkeeping was not in accordance with license conditions.
3. Various spills and leaks from pipelines and evaporation ponds have been reported by URI. Delay of repairs to evaporation pond leaks was implied in two instances.
4. URI was "caught" by the State in "improperly disposing" of waste water through land application without state authorization in June 1991.
5. A Texas Dept. of Health interoffice memo recommends not granting a license amendment, alleging that URI disposed of prohibited byproduct material in interim storage ponds at Rosita, in violation of a license condition.
6. [Public meeting 2/22/95] URI has followed a practice of misrepresentation to the State of Texas about their operation.

If the foregoing description is not a complete and accurate summary of your concerns, please contact me immediately.

It is the policy of the Nuclear Regulatory Commission (NRC) normally not to disclose the identity of a person providing information to NRC (an "allegor") to any organization, individual, or the public. However, there are certain limitations or exceptions, the occurrence of which might result in the disclosure of an allegor's identity.

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Those limitations or exceptions are as follows: (1) the alleged has no objection to his or her identity being disclosed; (2) disclosure is necessary in the event of an emergency (danger to public health or safety); (3) disclosure is necessary to inform Congress or State or Federal agencies in furtherance of NRC responsibilities under law or public trust; or (4) the alleged has taken actions that are inconsistent with and override the purpose of protecting the alleged's identity, e.g., disclosing his or her identity and the allegation to the media.

The concerns you identified have been forwarded to the State of Texas for response. The response by the State will be evaluated by NRC in connection with its review of HRI's application, and a copy of the State's response will be provided to you.

If you have any questions or concerns regarding these matters, please do not hesitate to contact me directly.

Following completion of its review, this office will inform you of the results of its inquiries and the disposition of this matter.

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Robert L. O'Connell  
Allegation Coordinator  
Office of Nuclear Material Safety  
and Safeguards

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NMSS-95-A-0003

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