

Mr. Roy R. Cellan
Homestake Mining Company
P.O.Box 98
Grants, New Mexico 87020

April 22, 1997

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION INSPECTION REPORT 40-8903/96201

Dear Mr. Cellan:

On March 31, 1997, the U.S. Nuclear Regulatory Commission completed an inspection of the Homestake Mining Company (HMC) Grants Uranium Mill site located in Cibola County, New Mexico. The enclosed report presents the results of that inspection.

The inspection examined activities conducted under the license as they relate to surface water hydrology and erosion protection. The inspection consisted of observation of completed site reclamation activities and interviews with HMC personnel.

No violations or deviations were identified; therefore, no response to this letter is required. However, as discussed in the inspection report, the staff expects that additional information will be provided by HMC to justify the adequacy of the in-place riprap layers.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

Should you have any questions concerning this inspection, please contact Ken Hooks, the NRC Project Manager and inspection team leader, at (301) 415-7777.

Sincerely,
(Original signed by)
Charles L. Cain, Acting Chief
Uranium Recovery Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Docket No. 40-8903
License No. SUA-1471

Enclosure:
NRC Inspection Report
40-8903/97201

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cc: J. Virgona, DOE-Grand Junction
R. Ohrbom, New Mexico Environment Dept.

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