

Mr. Juan R. Velasquez

April 29, 1997

United Nuclear Corporation

1700 Louisiana Blvd., N.W., Suite 230

Albuquerque, New Mexico 87110

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION INSPECTION REPORT 40-8907/97201

Dear Mr. Velasquez:

On April 1, 1997, the U.S. Nuclear Regulatory Commission completed an inspection of United Nuclear Corporation's (UNC's) Church Rock Uranium Mill site located in McKinley County, New Mexico. The enclosed report presents the results of that inspection.

The inspection examined activities conducted under the license as they relate to geotechnical engineering, surface water hydrology and erosion protection. The inspection consisted of review of selected records, observation of completed site reclamation activities and interviews with UNC personnel.

No violations or deviations were identified; therefore, no response to this letter is required. However, as discussed in the inspection report, the NRC staff expects that additional information will be provided by UNC to justify the adequacy of the in-place riprap layers in the North Drainage Channel. 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. 40-8907

License No. SUA-1475

Enclosure:

NRC Inspection Report

40-8907/97201

cc: J. Virgona, DOE-Grand Junction
M. Leavitt, New Mexico Environment Dept.
D. Williams, EPA Region 6
D. Malone, Navajo EPA
E. Morales, UNC Gallup

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