

NOTICE OF VIOLATION

Energy Fuels Nuclear, Inc.
Denver, Colorado

Docket No. 40-9024
License No. SUA-1558

During a U.S. Nuclear Regulatory Commission staff review of the licensee's Reno Creek docket file, including the licensee's submittal dated January 8, 1997, a violation of NRC requirements was identified. In accordance with the General Statement of Policy and Procedures for NRC Enforcement Actions," NUREG-1600, the violation is listed below:

License Condition No. 12 states, in part, that the currently approved surety shall "be continuously maintained in an amount no less than \$142,890.00 for the purpose of complying with 10 CFR Part 40, Appendix A, Criterion 9, until a replacement is authorized by both the State and the NRC."

Contrary to the above, the licensee, having been notified by letter of November 13, 1996, from the State of Wyoming Department of Environmental Quality (State) that the licensee had the option, within 45 days, (1) of either maintaining the currently authorized NRC/State surety bond of \$142,890.00 or (2) of decreasing the bond by \$4,658.00, failed to notify the NRC of these options, and permitted the bond to be decreased on December 30, 1996, and set at an amount (\$138,232.00) not authorized by NRC. The licensee informed the NRC by letter of January 8, 1997, of its having permitted the surety bond to be reduced without NRC authorization.

This is a Severity Level IV violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, Energy Fuels Nuclear, Inc., is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with copies to (1) the Director, Office of Enforcement, Washington, D.C. 20555, (2) the Regional Administrator, U.S. Nuclear Regulatory Commission, Region IV, Harris Tower, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011-8064, and (3) the Chief, Uranium Recovery Branch, Division of Waste Management, Office of Nuclear Material Safety and Safeguards, Washington, D.C. 20555, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

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Because your response will be placed in the NRC Public Document Room (PDR), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790-(b) to support a request for withholding confidential commercial or financial information).

Dated at Rockville, Maryland
this 21 day of May 1997