

June 18, 1997

Herbert Benally, President
Churchrock Chapter, Navajo Nation
P.O. Box 549
Churchrock, NM 87311

40-8968

SUBJECT: HYDRO RESOURCES, INC. SOLUTION MINING PROJECT AT
CROWNPOINT, NM

Dear Mr. Benally:

The U.S. Nuclear Regulatory Commission is reviewing a license application submitted by Hydro Resources, Inc. (HRI) to construct and operate an *in situ* leach uranium mining facility near Crownpoint, New Mexico. You were previously notified of this proposed activity and of NRC's consultation with the New Mexico State Historic Preservation Office and the Navajo Nation Historic Preservation Department.

The Museum of New Mexico, Office of Archaeological Studies, has conducted a cultural resources survey of the areas HRI proposes to initially develop. The report documenting the survey and its findings has been drafted. This report will serve as the basis of a determination of potential effect under Section 106 of the National Historic Preservation Act. It has been submitted to the Navajo Nation Preservation Department, the New Mexico Historic Preservation Officer, the Bureau of Land Management, and other interested agencies who have requested opportunity to review the report.

If you would like a copy of the report to review, or have any questions concerning this subject, please contact Mr. Robert Carlson of my staff at (301) 415-8165.

Sincerely,

(Original signed by Daniel M. Gillen for)

Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

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