

June 19, 1997

408968

Jenni Denetsone, Area Realty Office
Bureau of Indian Affairs
Navajo Area Office
Real Estate Services
P.O. Box 1060
Gallup, NM 87305-1060

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

Dear Ms. Denetsone:

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. Because you previously expressed interest in the findings of the survey, the NRC is submitting the enclosed copy of the report for your review and comment. This report will serve as the basis of a determination of potential effect under Section 106 of the National Historic Preservation Act.

If you 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)

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

Enclosure: As stated

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