

# Hydro Resources, Inc.

(A Subsidiary of Uranium Resources, Inc.)

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40-8943

August 22, 2002

Mr. Daniel Gillen, Chief  
Fuel Cycle Facilities Branch  
Division of Fuel Cycle Safety and Safeguards  
Office of Nuclear Materials Safety and Safeguards  
United States Nuclear Regulatory Commission  
Washington, D.C. 20555-0001

Certified Mail #  
7001 0320 0005 0801 4874

License. SUA-1580  
Crownpoint Uranium Project

Dear Mr. Gillen:

Pursuant to the provision of 10 CFR 40.44, by this letter Hydro Resources, Inc. requests that the subject license be renewed for a second term of January 6, 2003 through January 5, 2008. NRC Form 313 has been completed and is attached in support of this Renewal Application.

Because of the depressed uranium market, no development has commenced at the Crownpoint Uranium Project. It is the desire that all properties, permits, and licenses<sup>1</sup> associated with the Crownpoint Uranium Project continue to be maintained and confirmed by Hydro Resources, Inc. so that production can commence at the time that market price prove to be economic.

Even though the subject license has not been used, its provisions are current because of the ongoing Subpart L administrative process where the license has been, and continues to be, subjected to intensive NRC and public scrutiny and adjustment as necessary. In summary, in the late 1980's Hydro Resources, Inc. applied for one license covering properties located in both the Churchrock and Crownpoint districts. The Commission issued the subject license in January 1998 that would allow operations to begin in the Churchrock district. In mid-1998, the Commission determined that certain parties who requested a hearing had standing to raise certain objections to the license. An ASLB administrative law judge conducted a hearing during 1999 and upheld the license and granted Hydro Resources, Inc.'s request to place the hearing in abeyance as to issues at locations other than Churchrock until some time in the future.

The ruling was appealed to the Commission. On January 31, 2000 the Commission issued an order concurring with the technical, substantive and legal findings of the ASLB, but the

<sup>1</sup> License Number SUA-1580 is required for uranium production at Hydro Resources, Inc. Churchrock and Crownpoint locations. Therefore the company desires that this license be maintained as active.

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Public

Letter to Mr Daniel Gillen  
August 22, 2002  
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Commission also denied abeyance and determined that Uranium Resources, Inc. must proceed with the hearing process for all properties including Unit One and Crownpoint or amend the License and remove them.

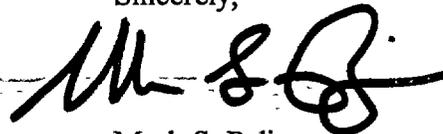
A required, on April 30, 2000 Uranium Resources, Inc. notified the Commission of its intent to move forward with the hearing. On May 25, 2000 the ASLB hearing examiner approved a negotiated hearing schedule that required which Hydro Resources, Inc. provide Restoration Action Plans for the Section 17, Unit 1 and Crownpoint location over the remainder of 2001 with litigation resuming in early 2002. Hydro Resources, Inc. has timely filed all Restoration Action Plans as required by the order

In November 2001, with the concurrence of all parties, the NRC appointed a special judge to attempt to facilitate settlement among the parties that, if successful, would terminate the hearing process. No settlement agreement has yet been reached. This settlement process is expected to be finalized in October 2002. If settlement fails, the hearing will resume and proceed into the second term of the license.

Hydro Resources, Inc. does not request any changes to - license conditions, locations, or propose, organization, any operational plans or procedures, training requirements or potential health, safety or environmental impacts. Fundamentally, the facts and representations described within the Final Environmental Impact Statement<sup>2</sup>, the Consolidated Operations Plan<sup>3</sup> and the Safety Evaluation Report<sup>4</sup> remain unchanged<sup>5</sup>. Furthermore, there are no proposed changes in the Restoration Action Plans<sup>6</sup> that have been submitted subsequent to the License being issued. The renewal request herein only contemplates extending the existing license for an additional term of five (5) years.

Please feel free to contact me with questions pertaining to this matter.

Sincerely,



Mark S. Pelizza  
President

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<sup>2</sup> Final Environmental Impact Statement to Construct and Operate the Crownpoint Uranium Solution Mining Project, Crownpoint, New Mexico. NUREG-1508 U.S. Nuclear Regulatory Commission. February 1997.

<sup>3</sup> Crownpoint Uranium Project Consolidated Operations Plan, Revision 2.0, HRI, Inc., August 15, 1997.

<sup>4</sup> Safety Evaluation Report, Hydro Resources, Inc. License Application for Crownpoint Uranium Mining Project, McKinley County, New Mexico. Docket No. 40-8968. U.S. Nuclear Regulatory Commission. December 1997.

<sup>5</sup> Subject to any modifications as may be required by the Commission pursuant to the final outcome of the hearing process

<sup>6</sup> Churchrock Section 8 Restoration Action Plan, November 21, 2000, Churchrock Section 17 Restoration Action Plan, July 23, 2001; Unit 1 Restoration Action Plan, September 14, 2001; Crownpoint Restoration Action Plan, November 19, 2001, Hydro Resources, Inc.

<b>NRC FORM 313</b> (8-1999) 10 CFR 30, 32, 33 34, 35, 36, 39 and 40	<b>U. S. NUCLEAR REGULATORY COMMISSION</b>	APPROVED BY OMB: NO 3150-0120 EXPIRES 08/31/2002
<h2 style="margin: 0;">APPLICATION FOR MATERIAL LICENSE</h2>		
Estimated burden per response to comply with this mandatory information collection request 7.4 hours. Submittal of the application is necessary to determine that the applicant is qualified and that adequate procedures exist to protect the public health and safety. Send comments regarding burden estimate to the Records Management Branch (T-6 E6), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by internet e-mail to bvs1@nrc.gov, and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202, (3150-0120), Office of Management and Budget, Washington, DC 20503. If a means used to impose an information collection does not display a currently valid OMB control number, NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.		

**INSTRUCTIONS: SEE THE APPROPRIATE LICENSE APPLICATION GUIDE FOR DETAILED INSTRUCTIONS FOR COMPLETING APPLICATION SEND TWO COPIES OF THE ENTIRE COMPLETED APPLICATION TO THE NRC OFFICE SPECIFIED BELOW.**

<p><b>APPLICATION FOR DISTRIBUTION OF EXEMPT PRODUCTS FILE APPLICATIONS WITH</b>          DIVISION OF INDUSTRIAL AND MEDICAL NUCLEAR SAFETY          OFFICE OF NUCLEAR MATERIALS SAFETY AND SAFEGUARDS          U S NUCLEAR REGULATORY COMMISSION          WASHINGTON, DC 20555-0001</p> <p><b>ALL OTHER PERSONS FILE APPLICATIONS AS FOLLOWS:</b>  <b>IF YOU ARE LOCATED IN:</b>          CONNECTICUT, DELAWARE, DISTRICT OF COLUMBIA, MAINE, MARYLAND, MASSACHUSETTS, NEW HAMPSHIRE, NEW JERSEY, NEW YORK, PENNSYLVANIA, RHODE ISLAND, OR VERMONT, SEND APPLICATIONS TO</p> <p style="text-align: center; font-size: small;">LICENSING ASSISTANT SECTION          NUCLEAR MATERIALS SAFETY BRANCH          U S NUCLEAR REGULATORY COMMISSION, REGION I          475 ALLENDALE ROAD          KING OF PRUSSIA, PA 19406-1415</p> <p>ALABAMA, FLORIDA, GEORGIA, KENTUCKY, MISSISSIPPI, NORTH CAROLINA, PUERTO RICO, SOUTH CAROLINA, TENNESSEE, VIRGINIA, VIRGIN ISLANDS, OR WEST VIRGINIA, SEND APPLICATIONS TO</p> <p style="text-align: center; font-size: small;">SAM NUNN ATLANTA FEDERAL CENTER          U S NUCLEAR REGULATORY COMMISSION, REGION II          81 FORSYTH STREET, S W, SUITE 23T85          ATLANTA, GEORGIA 30303-8931</p>	<p><b>IF YOU ARE LOCATED IN:</b>          ILLINOIS, INDIANA, IOWA, MICHIGAN, MINNESOTA, MISSOURI, OHIO, OR WISCONSIN, SEND APPLICATIONS TO</p> <p style="text-align: center; font-size: small;">MATERIALS LICENSING SECTION          U S NUCLEAR REGULATORY COMMISSION, REGION III          801 WARRENVILLE RD          LISLE, IL 60532-4351</p> <p>ALASKA, ARIZONA, ARKANSAS, CALIFORNIA, COLORADO, HAWAII, IDAHO, KANSAS, LOUISIANA, MONTANA, NEBRASKA, NEVADA, NEW MEXICO, NORTH DAKOTA, OKLAHOMA, OREGON, PACIFIC TRUST TERRITORIES, SOUTH DAKOTA, TEXAS, UTAH, WASHINGTON, OR WYOMING, SEND APPLICATIONS TO:</p> <p style="text-align: center; font-size: small;">NUCLEAR MATERIALS LICENSING SECTION          U S NUCLEAR REGULATORY COMMISSION, REGION IV          611 RYAN PLAZA DRIVE, SUITE 400          ARLINGTON TX 76011-8064</p>
<p>PERSONS LOCATED IN AGREEMENT STATES SEND APPLICATIONS TO THE U S NUCLEAR REGULATORY COMMISSION ONLY IF THEY WISH TO POSSESS AND USE LICENSED MATERIAL IN STATES SUBJECT TO U.S. NUCLEAR REGULATORY COMMISSION JURISDICTIONS.</p>	

<p>1. THIS IS AN APPLICATION FOR (Check appropriate item)</p> <p><input type="checkbox"/> A. NEW LICENSE</p> <p><input type="checkbox"/> B. AMENDMENT TO LICENSE NUMBER _____</p> <p><input checked="" type="checkbox"/> C. RENEWAL OF LICENSE NUMBER <u>SUA-1580</u></p>	<p>2. NAME AND MAILING ADDRESS OF APPLICANT (Include Zip code)</p> <p style="text-align: center;">Hydro Resources, Inc.          650 S. Edmonds Lane, Suite 108          Lewisville, Texas 75067</p>
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<p>3. ADDRESS(ES) WHERE LICENSED MATERIAL WILL BE USED OR POSSESSED</p> <p style="text-align: center;">Hydro Resources, Inc.          Crownpoint Uranium Project          P.O. Box 777          Crownpoint, New Mexico 87313</p>	<p>4. NAME OF PERSON TO BE CONTACTED ABOUT THIS APPLICATION</p> <p style="text-align: center;">Mark S. Pelizza</p> <p>TELEPHONE NUMBER          972-219-3337</p>
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SUBMIT ITEMS 5 THROUGH 11 ON 8-1/2 X 11" PAPER THE TYPE AND SCOPE OF INFORMATION TO BE PROVIDED IS DESCRIBED IN THE LICENSE APPLICATION GUIDE.

<p>5. RADIOACTIVE MATERIAL.          a. Element and mass number, b. chemical and/or physical form, and c. maximum amount which will be possessed at any one time</p>	<p>6. PURPOSE(S) FOR WHICH LICENSED MATERIAL WILL BE USED</p>				
<p>7. INDIVIDUAL(S) RESPONSIBLE FOR RADIATION SAFETY PROGRAM AND THEIR TRAINING EXPERIENCE.</p>	<p>8. TRAINING FOR INDIVIDUALS WORKING IN OR FREQUENTING RESTRICTED AREAS</p>				
<p>9. FACILITIES AND EQUIPMENT</p>	<p>10. RADIATION SAFETY PROGRAM</p>				
<p>11. WASTE MANAGEMENT</p>	<p>12. LICENSEE FEES (See 10 CFR 170 and Section 170.31)</p> <table style="width:100%; border: none;"> <tr> <td style="border: none;">FEE CATEGORY</td> <td style="border: none;">AMOUNT ENCLOSED \$</td> </tr> <tr> <td style="border: none;"> </td> <td style="border: none;"> </td> </tr> </table>	FEE CATEGORY	AMOUNT ENCLOSED \$		
FEE CATEGORY	AMOUNT ENCLOSED \$				

13. CERTIFICATION (Must be completed by applicant) THE APPLICANT UNDERSTANDS THAT ALL STATEMENTS AND REPRESENTATIONS MADE IN THIS APPLICATION ARE BINDING UPON THE APPLICANT

THE APPLICANT AND ANY OFFICIAL EXECUTING THIS CERTIFICATION ON BEHALF OF THE APPLICANT, NAMED IN ITEM 2, CERTIFY THAT THIS APPLICATION IS PREPARED IN CONFORMITY WITH TITLE 10, CODE OF FEDERAL REGULATIONS, PARTS 30, 32, 33, 34, 35, 36, 39 AND 40, AND THAT ALL INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF.

WARNING 18 U.S.C. SECTION 1001 ACT OF JUNE 25, 1948 62 STAT 749 MAKES IT A CRIMINAL OFFENSE TO MAKE A WILLFULLY FALSE STATEMENT OR REPRESENTATION TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES AS TO ANY MATTER WITHIN ITS JURISDICTION.

CERTIFYING OFFICER - TYPED/PRINTED NAME AND TITLE	SIGNATURE 	DATE <b>8-22-02</b>
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FOR NRC USE ONLY					
TYPE OF FEE	FEE LOG	FEE CATEGORY	AMOUNT RECEIVED	CHECK NUMBER	COMMENTS
			\$		
APPROVED BY				DATE	

**Hydro Resources, Inc.**  
**NRC Form 313**  
**Supplemental Information Items 5-12**

5. RADIOACTIVE MATERIAL
  - a. Element and mass number: Uranium
  - b. Chemical and physical form: Any
  - c. Maximum amount that will be possessed at any one time: Unlimited
  
6. PURPOSE(S) FOR WHICH LICENSED MATERIAL WILL BE USED. The Crownpoint Uranium Project which includes the Crownpoint, Unit 1 and Church Rock uranium recovery and processing facilities in McKinley County, New Mexico.
  
7. INDIVIDUAL(S) RESPONSIBLE FOR RADIATION SAFETY PROGRAM AND THEIR TRAINING EXPERIENCE Mark S Pelizza – See Crownpoint Uranium Project Consolidated Operations Plan § 9.12.2 1.
  
8. TRAINING FOR INDIVIDUALS WORKING IN OR FREQUENTING RESTRICTED AREAS. – See Crownpoint Uranium Project Consolidated Operations Plan § 9.18.
  
9. FACILITIES AND EQUIPMENT. – See Crownpoint Uranium Project Consolidated Operations Plan §1,2,3,5,5,6,7,8.
  
10. RADIATION SAFETY PROGRAM – See Crownpoint Uranium Project Consolidated Operations Plan § 9.0.
  
11. WASTE MANAGEMENT. – See Crownpoint Uranium Project Consolidated Operations Plan § 4.0.
  
12. LICENSE FEE CATEGORY. Full Cost.