# HYDRO RESOURCES, INC.

(A Subsidiary of Uranium Resources, Inc.)

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September 16, 2014

### VIA UNITED STATE FIRST CLASS MAIL AND ELECTRONIC TRANSMISSION

United States Nuclear Regulatory Commission
Attn: Mr. Drew Persinko, Deputy Director
Decommissioning and Uranium Recovery Licensing Directorate
Mail Stop #T8F5
Division of Waste Management and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs
Washington, D.C. 20555-0001

RE: Crownpoint Uranium Project (CUP) License Renewal

License SUA-1580

Dear Mr. Persinko:

Subsequent to our discussions at the June 18, 2014 Uranium Recovery workshop in Denver, Colorado and my earlier letter to you dated February 5, 2014, this letter is to update Hydro Resources, Inc. (HRI) progress revising the Consolidated Operations Plan (COP) and Environmental Report (ER) in support of the application for renewal of License SUA-1580. As previously noted, please be advised that this update does not impact HRI's plan to renew License SUA-1580, which is currently in timely renewal, as provided for in our letter to NRC dated November 22, 2011.

On December 24, 2013 Uranium Resources, Inc. (URI), parent company to HRI, announced that on December 23, 2013, the Navajo Nation Council Resources and Development Committee (RDC) acknowledged the right-of-way and surface use at its Churchrock properties licensed by the U.S. Nuclear Regulatory Commission. Moreover, the RDC authorized the creation of a Subcommittee to work with the Navajo Nation Executive Director of the Natural Resources Division and the Department of Justice, along with URI representatives to consider the terms of an agreement that would result in mutual gains for both the Navajo Nation and URI. Until the Navajo Council action that is described below, URI had been working diligently with this Subcommittee to reach consensus on a plan to proceed with the Crownpoint Uranium Project.

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According to the attached news release, on July 22, 2014 the Navajo Nation Council rescinded the RDC December 2013 resolution. In other words, the work with the RDC Subcommittee that I described at our meeting in Denver and in my February 5<sup>th</sup> letter to NRC has been halted.

The RDC resolution was rescinded by the Navajo Nation Council because (1) the Subcommittee was ruled illegal under Navajo Law and (2) the Navajo Nation's charter did not include proper Navajo Council representation for this type of negotiation. The Council believed that according to Navajo Law the negotiations should include broader representation from the full Council. HRI believes that it is vital to continue its work with the Navajo Nation Council because we desired to seek consensus on various aspects of our project before action is taken by NRC on the license renewal. Additional changes to both the ER and the COP are expected from these discussions. For this reason we are providing updated notice by way of this letter that additional time is required for our work with the Navajo Council.

The timing of this additional work is uncertain because the makeup of the Navajo Council will change after the primary election in November 2014. HRI will provide NRC Staff with regular status updates of our progress in these discussions after that time.

Thank you very much for your time and consideration in this matter.

Respectfully Submitted,

Mark S. Pelizza

Sr. Vice President

Health, Safety, Environment and Public Affairs

Copy by electronic mail: Ron Linton, USNRC

### **News Release**



## Navajo Nation Council Rescinds Committee Resolution, Nullifying Subcommittee Discussions with Uranium Resources

Centennial, CO – July 23, 2014 – Uranium Resources, Inc. (NASDAQ: URRE) reports that the Navajo Nation Council yesterday rescinded the Navajo Nation Resources and Development Committee's (RDC) December 2013 resolution that acknowledged the Company's right of access and surface use at its Churchrock Project and created a subcommittee to draft terms of an agreement to define mutual benefits for the Navajo Nation and Uranium Resources. The Navajo Nation Council vote ruled that the RDC resolution and creation of the subcommittee were improper under Navajo Nation rules.

The Company was engaged with the RDC subcommittee in the Company's continuing demonstration of good faith with the Navajo Nation. The Company has right-of-way and surface and mineral access rights under the 1929 Deed as the successor-in-interest to the Santa Fe Pacific Railroad Company. The Churchrock in-situ recovery project and certain other properties in New Mexico are licensed by the U.S. Nuclear Regulatory Commission to produce up to three million pounds of uranium per year. There is no change to the Temporary Access Agreement between the Navajo Nation and the Company for the Company to access its Churchrock properties.

The Company anticipates continuing to communicate with the Navajo Nation regarding this matter.

#### **About Uranium Resources**

Uranium Resources, Inc. was incorporated in 1977 to explore, develop and recover uranium. Uranium Resources controls minerals rights encompassing approximately 200,000 acres in the prolific Grants Mineral Belt in New Mexico, which holds one of the largest known concentrations of sandstone-hosted uranium deposits in the world. The Company has two licensed processing facilities and properties in Texas, and an NRC license to recover up to three million pounds of uranium per year using the in situ recovery (ISR) process at certain properties in New Mexico. The Company acquired these properties over the past 25 years, along with an extensive uranium information database of historic drill hole logs, assay certificates, maps and technical reports for the Western United States.

#### Contact:

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