



URANIUM PRODUCERS OF AMERICA

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BY FACSIMILE: 202-586-3701 AND U.S. MAIL

Linda L. Gunter
Office of Nuclear, Energy, Science & Technology
NE-60 Room 11-050
1000 Independence Avenue, S.W.
Washington, D.C. 20585-1290

Re: Department of Energy Calibration Facilities

Dear Linda:

As we discussed, the Department of Energy maintains four calibration facilities used to calibrate portable surface gamma-ray survey meters and borehole logging instruments used for uranium and other mineral exploration. These sites are located in Casper, Wyoming, Grants, New Mexico, Grand Junction, Colorado and George West, Texas. These facilities are strategically sited to allow calibration testing by the domestic uranium industry and its contractors in the major production areas of uranium concentrates.¹

These facilities are currently managed by the DOE Office of Legacy Management. The office of Legacy Management has determined that this activity is not within its mission and has expressed an intent to decommission these facilities. Such action would be disastrous to the domestic uranium industry.

While these sites may have had limited use in the 1990's, the need for these facilities is now required by pertinent security laws and regulations. For publicly traded companies it is imperative that these calibration facilities remain under the control of the Department, an independent third party. Rigorous documentation and associated audits focus on the geophysical measurements of uranium content of the subsurface formations. The principal measure is the gamma log. It is essential to demonstrate the independent calibration of the gamma tools in order to give credence to the required documentation

¹ I have attached photographs I recently took of the Grants, New Mexico facility along with a brief description of the site.

for uranium resources and reserves. Should DOE relinquish its role as an independent source, this would have a significant negative impact on the domestic uranium industry's ability to comply with its obligations to its investors.

As you are most aware, uranium development and exploration is experiencing a significant revival. Current drilling and logging activities have increased dramatically from that of just a few years ago. These efforts are already restricted by a shortage of drill rigs, experienced drillers and logging units. Closure of any of the calibration facilities would simply exacerbate an already difficult situation. As the drilling industry responds and these restrictions diminish, the apparent lack of use of these calibration facilities in all four locations will become an historical anomaly.

I understand that the DOE Office of Legacy Management would be willing to transfer its responsibility for the calibration sites to another office within DOE. It has been suggested that the INEL group in Idaho might be a prospective manager. UPA and other companies participating in the domestic uranium industry would strongly urge that DOE determine the proper office to oversee this program and institute such a transfer. It is our understanding that costs associated with maintaining these facilities are de minimus. The facilities require little more than very small annual rental payments for some of the sites. The facilities require no supervision for their operation. The Department's cooperation in maintaining the existence of the calibration facilities would demonstrate its support of the reemerging domestic uranium industry.

Please let me know if UPA can be of any assistance in effecting a transfer of the calibration facilities with the agency. If it would assist the Department to obtain congressional review of this matter, UPA would be willing to raise this issue at that level. UPA membership is very concerned about the idea of losing these sites and looks forward to what steps the Department will take to prevent such closure. Thank you in advance for your consideration, I will look forward to the Department's response.

Very truly yours,

Jon J. Indall

Enclosures

cc: Ron Hochstein (w/o encls.)
Dennis Stover (w/o encls.)
Fletcher Newton (w/o encls.)
Ted Wilton (w/o encls.)
Clyde Yancy (w/o encls.)
Mark Pelizza (w/o encls.)
Pam Hessig (w/o encls.)
Mersch Ward (w/o encls.)

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The attached photographs are of the Grants, New Mexico calibration site. According to the Office of Legacy Management's website, concrete pads with elevated uniform concentrations of naturally occurring potassium, uranium and/or thorium are located at these facilities. These pad surfaces have large, flat surfaces suitable for calibration measurements with portable survey meters. Borehole standards are Target concrete cylinders with 4.5 inch diameter test holes.

The Grants site is located about a quarter mile north of the Homestake mill. The site contains several concrete pads and is fenced. Users of the facility fill out an information card and place it in the mailbox.