

June 5, 1998

Crow Butte Resources, Inc.
ATTN: Mr. Stephen P. Collings, President
216 Sixteenth Street Mall, Suite 810
Denver, Colorado 80202

SUBJECT: CHANGE IN CORPORATE OWNERSHIP

Dear Mr. Collings:

By letter dated May 13, 1998, Crow Butte Resources, Inc. (CBR) notified the U.S. Nuclear Regulatory Commission (NRC) of an upcoming change in the ownership of one of the shareholders of CBR. In addition, CBR provided the information identified under NRC Information Notice (IN) 89-25, Revision 1 (December 7, 1994).

Based on its review, the NRC staff finds the proposed change in shareholder ownership to be acceptable, and this letter is evidence of NRC's consent to the change. The details of CBR's notification and the NRC staff's evaluation of the proposed change are discussed in the enclosed Technical Evaluation Report. No amendment to Source Material License No. SUA-1534 is necessary as a result of this licensing action.

If you have any questions regarding this letter or the enclosure, please contact Mr. James Park of my staff, at (301) 415-6699.

Sincerely,

[D. Gillen for]
Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Docket No. 40-8943
License No. SUA-1534
Case Closed: L51660

Enclosure: As stated

cc: H. Borchert, RCPD, NE
NDEQ
PDR, NE

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CROW BUTTE RESOURCES, INC.

216 Sixteenth Street Mall, Suite 810
Denver, Colorado 80202

(303) 825-2266
(303) 825-1544 - FAX

May 13, 1998

Mr. Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management,
NMSS (T-7-J9)
Office of Nuclear Material Safety
and Safeguards
U.S. Nuclear Regulatory Commission
11545 Rockville Pike
Rockville, MD 20850

40-8943

Re: Docket No. 40-8943
License No. SUA-1534

Dear Mr. Holonich:

Crow Butte Resources, Inc. (CBR) is the operator of the Crow Butte *in-situ* leach (ISL) uranium mine near Crawford, Nebraska. CBR holds Source Material License SUA-1534 with the USNRC for the operation of the Crow Butte mine. This letter is written pursuant to 10 CFR §40.46 to inform the U.S. Nuclear Regulatory Commission (USNRC) of an upcoming change in the ownership of one of the shareholders of CBR.

Currently, the shareholders of CBR are Geomex Minerals, Inc., a Delaware Corporation, (16 shares); Kepeco Resources America, Ltd., a Colorado Corporation, (5 shares); and Uranerz U.S.A., Inc., a Colorado Corporation, (79 shares). Cameco Corporation has entered into an agreement to purchase all of the shares of Uranerz U.S.A., Inc. with closing likely to occur in late summer or early fall of this year pending completion of the due diligence process. Both before and after the purchase is complete, the shareholders of CBR and their share ownership will be the same; only the ownership of one of the CBR shareholders will have changed.

In keeping with the information requirements of 10 CFR §40.46, as outlined in NRC Information Notice 89-25, Rev. 1, the following points detail the effects of the share transfer on the license:

- 1) There will be no change to the name of CBR or its shareholders. Rather, Cameco Resources (U.S.) Inc., a Nevada Corporation and a wholly owned subsidiary of Cameco Corporation, will acquire 100% of Uranerz U.S.A., Inc.
- 2) There will be no change in the regulatory contacts at CBR.

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- 3) There will be no changes to the personnel listed in the license responsible for radiation safety or licensed material use. In addition, it is not contemplated at this time that changes will be made to the officers of CBR so that current officers (named below) will continue to serve following the purchase. The officers of CBR will be:

Steve Collings	President and CEO
Steve Magnuson	Vice President and Secretary
Ralph Knode	Vice President
William Doty	Treasurer
Jeff Welborn	Assistant Secretary

If the transaction closes, the three current appointees of Uranerz U.S.A., Inc. to the CBR Board of Directors will resign from the Board as a condition of the closing, and three new directors will be appointed by Uranerz after the purchase has been completed. The CBR Board of Directors will then consist of the three new appointees together with four of the current directors, Steve Collings, Crew Schmitt, B. Y. Lee and Gerald Grandey. The names of the new directors will be provided as soon as they are known.

- 4) There will be no changes to the organization, location, facilities, equipment, or procedures.
- 5) There will be no changes in use, possession, location or storage of licensed material.
- 6) As the facility will continue to operate as it is now, all records (i.e., surveillance, decommissioning, etc.) will continue to be collected and maintained in accordance with the license and NRC regulations.
- 7) As the facility will continue to be operated in accordance with its permit, no decontamination or decommissioning is required.
- 8) The restoration and decommissioning commitments will be maintained per the existing permit. The financial surety arrangement will remain unaffected by the transfer of ownership in Uranerz U.S.A. The letters of credit issued in the name of CBR will remain in effect, and CBR will maintain responsibility for decommissioning and restoration in accordance with the existing plan.

Joseph J. Holonich
May 13, 1998
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- 9) There is no action regarding this purchase which would generate a license amendment or a revision to the Operations Plan.
- 10) Cameco Resources U.S., Inc. has indicated that it will provide any assurances necessary, in writing, should they be required.

In short, the purchase will not affect the day to day management and operation of CBR or impair CBR's ability to comply with the requirements of the Source Material license and NRC regulations. The shareholders will remain the same, and CBR will continue to have its own officers, directors, employees and other corporate attributes.

CBR requests confirmation from the NRC that this notification meets the NRC's notification requirements under 10 CFR §40.46. As time is of the essence, CBR would appreciate the above confirmation as soon as possible. We will be contacting you in the near future to discuss the timetable for the confirmation.

If you have any questions, or you require further information, please call me.

Sincerely,

Stephen P. Collings

Stephen P. Collings
President, Crow Butte Resources, Inc.

cc: Ross Scarano, USNRC