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March 25, 2008

Mr. Charles L. Miller, Director  
Office of Federal and State Materials and  
Environmental Management Programs  
U. S. Nuclear Regulatory Commission  
Two White Flint North, Mailstop T8F5  
11545 Rockville Pike  
Rockville, MD 20852

Re: Notice of Intent to Submit a Source Material Application

Dear Mr. Miller:

Neutron Energy Inc. (NEI) is writing to inform NRC of NEI's intent to submit a source material application for a new uranium mill processing facility to be located in Sections 31 and 32, T. 13 N, R. 4 W in McKinley County New Mexico on privately owned land. NEI has initiated baseline environmental studies at the project site intended to provide all necessary information for preparation of an Environmental Report and anticipates submitting a new license application as early as the fourth quarter of 2009. The application would be for a conventional uranium processing mill and associated tailings management facility on a site that was previously permitted by the State of New Mexico and USNRC.

We will keep you and your staff informed of our progress toward a license application and appreciate the opportunity to be incorporated into NRC's current planning and budgeting efforts. We propose to initiate pre-application discussions with the NRC on a number of topics prior to license submission. Later this year, we will propose a schedule for those discussions.

Please contact me at (602) 795-1664 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Gary C. Huber". The signature is written in a cursive, flowing style.

Gary C. Huber  
President  
Neutron Energy Inc.  
5320 North 16<sup>th</sup> St.  
Suite 114  
Phoenix, AZ 85016