

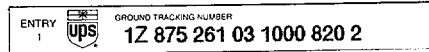


ROY R. CELLAN
CORPORATE MANAGER
RECLAMATION

ENVIRONMENTAL, HEALTH, SAFETY
AND GOVERNMENT AFFAIRS

March 15, 2000

VIA UPS GROUND TRACKING LABEL:



Mr. Thomas H. Essig, Branch Chief
US NRC
Uranium Recovery & Low Level Waste Branch
Division of Waste Management, MST-7-J-9
Office of Nuclear Material Safety and Safeguards
11545 Rockville Pike
Rockville, MD 20852

Re: **Docket No. 40-8903**
License No. SUA-1471
Annual Groundwater Monitoring Report

Dear Mr. Essig:

Pursuant to NRC Licence SUA-1471, Docket No. 40-8903, Licence Condition 35 (E), Homestake Mining Company hereby submits two (2) copies of the 1999 Annual Groundwater Monitoring Report. This report is an updated performance review of the groundwater corrective action program for the Grants site.

Homestake has noted in the past that monitoring conditions on the site as described in our program may require periodic judgement decisions relative to the ability to supply certain data to meet Table 2 - Groundwater Monitoring Program (8-97) requirements.

During this reporting period, Wells 0492, 0820, 0835, 0933 and Sub 3 could not be sampled due to problems beyond our control. Each of these wells is located on private property and permission could be not obtained to sample the wells. Well WR5 was converted from a collection well which is normally sampled, to an injection well where sampling is not required. Well KM also has been converted from a collection well to an injection well. Wells 0820, 0835 and 0933 are on the list of wells submitted to the NRC for deletion in our pending amendment dated September 29, 1999.

In addition, Well P1 is an up gradient background well that was found to have a damaged well casing which has sanded in the pump. Attempts by our drilling contractor to salvage the well has proven unsuccessful. This well is on the list of wells submitted in our pending amendment to the NRC for deletion.

HOMESTAKE MINING COMPANY
P.O. BOX 98 • GRANTS, NM 87020-0011

Almssor Public

Homestake does not feel that the loss of the information from the sample locations mentioned above has the potential of compromising the existing monitoring program due to the large amount of existing data from other wells in close proximity of the missing samples.

If you have any questions, please call me at Grants at (505) 287-4456.

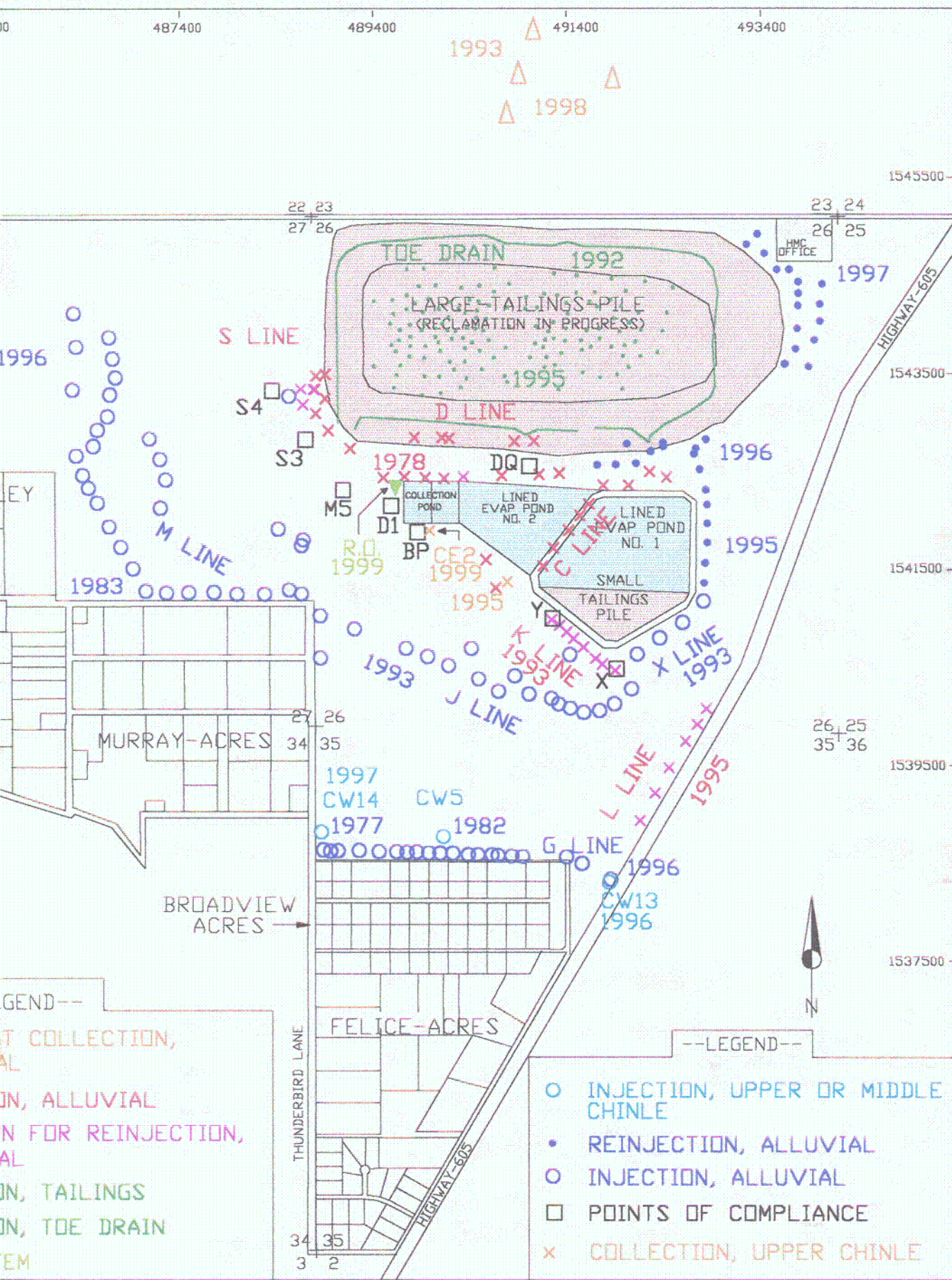
Thank you.

Sincerely

A handwritten signature in black ink, appearing to read "J. B. Spitzberg", written over the word "Sincerely".

Attachments

cc: Mr. B. Spitzberg, NRC Arlington, TX w/encl
Ms. Mary Heather Noble, NM ED, w/encl
Ms. Petra Sanchez, EPA, w/encl
Mr. Harold F. Barnes, HMC SFO w/encl



WATER MONITORING AND PERFORMANCE REVIEW
 FOR HOMESTAKE'S GRANTS PROJECT C2
 USE SUA-1471 AND DISCHARGE PLAN DP-200, 1999