



RESPONSE TO FREEDOM OF INFORMATION ACT (FOIA) / PRIVACY ACT (PA) REQUEST

99-377-00-219, 00-257

6

RESPONSE TYPE: FINAL PARTIAL

REQUESTER

Ms. Kimberly Boggiatto

DATE

JUL 18 2000

PART I. -- INFORMATION RELEASED

- No additional agency records subject to the request have been located.
- Requested records are available through another public distribution program. See Comments section.
- APPENDICES **K** Agency records subject to the request that are identified in the listed appendices are already available for public inspection and copying at the NRC Public Document Room.
- APPENDICES **L** Agency records subject to the request that are identified in the listed appendices are being made available for public inspection and copying at the NRC Public Document Room.
- Enclosed is information on how you may obtain access to and the charges for copying records located at the NRC Public Document Room, 2120 L Street, NW, Washington, DC.
- APPENDICES **L** Agency records subject to the request are enclosed.
- Records subject to the request that contain information originated by or of interest to another Federal agency have been referred to that agency (see comments section) for a disclosure determination and direct response to you.
- We are continuing to process your request.
- See Comments.

PART I.A -- FEES

AMOUNT *
\$

- You will be billed by NRC for the amount listed. None. Minimum fee threshold not met.
- You will receive a refund for the amount listed. Fees waived.

* See comments for details

PART I.B -- INFORMATION NOT LOCATED OR WITHHELD FROM DISCLOSURE

- No agency records subject to the request have been located.
- Certain information in the requested records is being withheld from disclosure pursuant to the exemptions described in and for the reasons stated in Part II.
- This determination may be appealed within 30 days by writing to the FOIA/PA Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001. Clearly state on the envelope and in the letter that it is a "FOIA/PA Appeal."

PART I.C COMMENTS (Use attached Comments continuation page if required)

The record identified on Appendix K with a ML accession number is publicly available in the NRC's Public Electronic Reading Room at <http://www.nrc.gov/NRC/ADAMS/index.html>. If you need assistance in obtaining these records, please contact the PDR at (202)634-3273, or 1-800-397-4209, or by e-mail to pdr@nrc.gov.

SIGNATURE - FREEDOM OF INFORMATION ACT AND PRIVACY ACT OFFICER

Carol Ann Reed

Re: FOIA-99-377
00-219
00-257

**APPENDIX K
RECORDS ALREADY AVAILABLE IN THE PDR**

<u>NO.</u>	<u>DATE</u>	<u>ACCESSION NUMBER</u>	<u>DESCRIPTION/(PAGE COUNT)</u>
1.	1/13/00	ML003681197	Moab Public Meeting Summary, with enclosures, (6 pgs.).

APPENDIX L

RECORDS BEING RELEASED IN THEIR ENTIRETY
(If copyrighted identify with*)

NUMBER	DATE	DESCRIPTION/PAGES
1.	Undated	Memorandum of Understanding Concerning the Transfer of Naval Oil Shale Reserve Numbered 2, Protection of the Green River Corridor and the Removal of Mill Tailings From Moab, Utah, (5 pgs.).
2.	Undated	Declaration of J. Holonich, (3 pgs.).
3.	11/4/99	Letter to K. Easton from J. Hononich, enclosing Trust Agreement, (15 pgs.).
4.	12/23/99	Letter to R. Clark from T. Essig, enclosing Executed Release, (6 pgs.).
5.	12/27/99	Letter to W. Abington from W. Kane, with enclosures: Order Transferring License and License, (26 pgs.).
6.	1/14/00	E-mail from J. Holonich to C. Paperiello, J. Greeves, and M. Fliegel, subject: Moab in the News, (3 pgs.).

33877

**MEMORANDUM OF UNDERSTANDING
CONCERNING THE TRANSFER OF NAVAL OIL SHALE
RESERVE NUMBERED 2, PROTECTION OF THE
GREEN RIVER CORRIDOR AND THE REMOVAL OF MILL TAILINGS
FROM MOAB, UTAH**

THIS MEMORANDUM OF UNDERSTANDING dated as of this — day of February, 2000, by and between the United States Department of Energy (DOE) the Ute Indian Tribe of the Uintah and Ouray Reservation (Tribe), the United States Department of the Interior (DOI) and the State of Utah (State).

WITNESSETH

- WHEREAS, DOE administers lands and minerals in Uintah and Carbon Counties, Utah, known as the Naval Oil Shale Reserve Numbered 2 (NOSR-2); and
- WHEREAS, NOSR-2 is wholly within the boundaries of the Uintah and Ouray Reservation (Reservation), and approximately 42% of the surface estate of NOSR-2 east of the Green River is owned by the Tribe; and
- WHEREAS, the Green River flows through NOSR-2 lands in Desolation Canyon and borders other lands of unique beauty that are owned by the Federal Government, State, and the Tribe; and
- WHEREAS, DOE, DOI, the State and the Tribe recognize that certain actions may be necessary to preserve certain lands along the shore line of the Green River in an environmentally protected status consistent with applicable state, tribal and Federal environmental, water and land use laws; and
- WHEREAS, transfer of NOSR-2 lands west of the Green River and a one-quarter mile corridor above the high water mark east of the Green River to DOI, and a transfer of the remaining lands of NOSR-2 to the Tribe with a reserved mineral royalty, will provide a benefit to the public commensurate with the benefit previously derived from federal ownership of NOSR-2; and
- WHEREAS, the public will receive additional benefits from any mineral royalty revenues derived from the development of NOSR-2 by the Tribe by dedication of such revenues to the clean-up and removal of uranium mill tailings located along the Colorado River near the city of Moab, Utah (commonly known as the "Atlas tailings");
- WHEREAS, DOE, DOI and the State wish to assist the Tribe and its members in achieving economic security and self-determination; and
- WHEREAS, the Tribe has expressed its willingness to assist the County of Uintah in the provision of governmental services through the payment of taxes for the lands and minerals of NOSR-2 transferred to tribal ownership in fee as contemplated herein; and

L/11

WHEREAS, DOE, DOI, the State and the Tribe have reached an agreement in principle to address the matters set out herein through Congressional legislation, and desire to memorialize their mutual understandings and establish a course of action to achieve mutually advantageous goals and objectives.

NOW, THEREFORE, in consideration of the recitals set forth above and the commitments and promises set out below, DOE, DOI, the State and the Tribe agree as follows:

A. Legislation – The parties to this MOU agree to support legislation for consideration by the Congress of the United States wherein:

1. The United States would convey to the Ute Indian Tribe all of Naval Oil Shale Reserve Numbered 2 (NOSR-2), in fee simple, both surface and mineral rights, reserving to the United States:

(a) a 9% mineral royalty interest in any minerals produced from the conveyed land to DOE,

(b) that portion of the Green River that is currently under the jurisdiction of DOE that is contained entirely in NOSR-2 to DOI,

(c) a one-quarter (1/4) mile easement on the east side of the Green River within the NOSR-2 lands conveyed to the Tribe (wherein the tribe shall be permitted use and access to the existing road in said easement) to DOI,

(d) the land to the west of the Green River within NOSR-2 for transfer to DOI. *- all or just 1/4 mile*

2. Congress would revoke the existing withdrawal for that portion of NOSR-2 referred to above in Section 1 and reserved from the transfer to the Ute Indian Tribe, and place the land under the jurisdiction of DOI for administration by the Secretary of the Interior for uses as he may subsequently establish through administrative action or through seeking congressional action.

3. Congress would authorize DOE to take responsibility, subject to available appropriations, for the removal of mill tailings from a uranium milling site near Moab, Utah. Provided further, that DOE commits to actively pursue appropriations for the removal and clean-up of the uranium mill tailings near Moab, Utah, through the annual Federal budget process. It is agreed by the parties herein that disposal of the removed mill tailings shall be at a location within the state of Utah.

4. Congress would authorize DOE to receive proceeds from the 9% mineral royalty interest reserved to the United States as stated above for the expenses incurred in the removal and clean-up of the uranium mill tailings near Moab, Utah.

B. Cooperative Agreement. The Tribe will enter into a cooperative government-to-government agreement with the DOI for a protective corridor for the Green River. The agreement shall be signed by DOI and the Tribe before passage of the contemplated legislation as referred to in Section A.1. above. The effective date for the agreement shall be the day and date the contemplated

legislation as referred to in Section A.1. above is signed into law. The corridor will include that portion of the Green River that abuts the Hill Creek Extension portion of the Reservation. The Tribe agrees to manage that portion of the lands adjacent to the Green River within a one-quarter (1/4) mile inland from the high water mark in a manner consistent with protections applicable to a wild and scenic river designation, although the lands would remain fully under tribal jurisdiction, and subject to the terms as stated below. The cooperative agreement shall include, but need not be limited to:

1. recognition of the role of the Tribe in the management and control of those lands of the Tribe which abut and border the Green River;
2. recognition of the role of DOI in the management of the lands transferred to the DOI as contemplated herein;
3. development of a management plan for the Green River which includes participation by the Tribe;
4. protection by the Tribe, pursuant to Tribal law, of any species listed by the federal government as endangered or threatened, that is located or found on NOSR-2 lands to be conveyed to the tribe;
5. an arrangement whereby the Tribe consents to manage the horses not owned by the Tribe or tribal members which are located or found on NOSR-2 lands to be conveyed to the Tribe in a manner consistent with Federal protections granted such animals; provided that the management, control and protection of such horses will be performed fully under tribal jurisdiction; and
6. the following provisions:
 - a. the agreement by DOI that all construction, facilities and other uses relative to the protective status be placed on the non-tribal portion of the Green River corridor, unless otherwise agreed to by the Tribe;
 - b. a commitment that protection of the Green River and corridor associated therewith will in no manner affect, impair or limit the Tribe's ability to utilize its water rights in the Green River Basin;
 - c. recognition that the cooperative agreement will in no manner damage or impair the rights of tribal members to utilize the one-quarter mile corridor on the Tribe's lands for traditional purposes; i.e. hunting, fishing, cultural and other pre-designation purposes;
 - d. prohibiting non-members of the Tribe from occupying land of the Tribe within the corridor absent specific authorization from the Tribe or as may be agreed upon in the cooperative agreement; and
 - e. permitting existing structures and roads within the one-quarter mile corridor on the Tribe's land to remain in place and permitting such structures and roads to be maintained, operated and repaired by the Tribe and its members.

C. Withdrawal - Any party hereto may withdraw from this Agreement and undertaking after the withdrawing party determines that good faith efforts have been exhausted and any necessary compromises to achieve the goals of this Agreement will not be successful. Notice of any party withdrawing shall be in writing and shall provide as least thirty (30) days notice to all parties.

D. Funding - This MOU shall not be used to commit or obligate funds or as the basis for the transfer of funds by or among DOE, DOI, the Tribe or the State.

THIS AGREEMENT IS DATED AS ABOVE WRITTEN, and is effective as of the date of the last signature.

DEPARTMENT OF ENERGY

Bill Richardson, Secretary

Date: February 11, 2000

DEPARTMENT OF THE INTERIOR

Bruce Babbitt, Secretary

Date: February __, 2000

UTE INDIAN TRIBE

O. Roland McCook, Chairman
Uintah and Ouray Tribal Business Committee

Date: February 11, 2000

STATE OF UTAH

Michael O. Leavitt, Governor

Date: February __, 2000

U.S. Department of Energy



EM-34
Albuquerque/Nevada Team
Small Sites Closure Office
Cloverleaf Building
19901 Germantown Road
Germantown
Maryland 20874-1290

3/2/00

To: Miky Floreal

FAX: 301-415-5397

Phone: _____

From: Dave Mathes

Fax: (301) 903-3877

Pages Inc. Cover sheet: 5

Phone: (301) 903-7222

3

Declaration of Joseph J. Holonich

1. I am employed at the U. S. Nuclear Regulatory Commission (NRC), where I serve as Deputy Director of the Division of Waste Management in the Office of Nuclear Material Safety and Safeguards. From October 1993 through November, 1998, I was Chief of the Uranium Recovery Branch in the Division of Waste Management, Office of Nuclear Material Safety and Safeguards. In that capacity, I had direct and personal responsibility for any NRC licensing action for the Atlas Corporation's defunct uranium mining site in Moab, Utah. During the five years I was Chief of the Uranium Recovery Branch, I worked directly and supervised the work of others on Atlas Corporation's application for the license amendment which plaintiffs challenge. My current duties as Deputy Director of the Division of Waste Management require me to oversee the NRC licensing program at the Moab site.

2. I was among those at the NRC who consulted with the Fish and Wildlife Service (FWS) during the preparation of the Final Biological Opinion at issue in this lawsuit. Those involved in that process were aware of the precarious financial position of the Atlas Corporation, the NRC licensee for the Moab site. Since issuance of the Final Biological Opinion in July 1998, the Atlas Corporation filed for Chapter 11 bankruptcy protection. Although this bankruptcy could have the potential to affect securing adequate funds for the completion of reclamation activities, the NRC does not have any information to date that would show the FWS recommendations in the Final Biological Opinion are unattainable. In fact, at present, the NRC has aggressively taken a number of steps to ensure complete implementation of the Final Biological Opinion. I discuss these steps in the next 6 paragraphs of this Declaration (paragraphs 3-8).

3. Following receipt of the Final Biological Opinion, the NRC conducted additional independent analyses needed to support publication of the Final Environmental Impact Statement (FEIS), including whether the proposed reclamation could be found acceptable. This work was started in August 1998, and was completed in December 1998.

4. After completing the analysis discussed above, the NRC moved forward on issuing the FEIS. The FEIS was published in March 1999, and incorporated discussion of the reasonable and prudent alternative and reasonable and prudent measures' requirements.

5. After waiting the mandatory 30 days for the U.S. Environmental Protection Agency to review the FEIS, the NRC issued the final agency action on the proposal on May 28, 1999. This action was an amendment to the Atlas license approving the surface reclamation work consistent with the application submitted by Atlas but with several additional requirements imposed. Included are several requirements from the Final Biological Opinion related to the cleanup of existing ground-water contamination and other issues relevant to endangered species. These additional requirements include: (a) dewatering of the tailings, with a plan to be submitted by December 1999; (b) submission of a revised ground-water corrective action program by May 2000; (c) submission of an analysis showing that the Colorado River standard for ammonia will be met, (the submittal to be completed before the start of placement of the final radon barrier which will not occur for several years); (d) submission of a design, for NRC approval after consultation with FWS, for the reconfiguration of Moab Wash; and (e) compliance

with Final Biological Opinion requirements related to protection of the southwestern willow flycatcher.

6. In parallel to the technical work described above, the NRC has been cooperating with the Assistant U.S. Attorney in Denver, Colorado on the Atlas bankruptcy. As part of this effort, the NRC and the Assistant U.S. Attorney negotiated a settlement that brings \$5.25 million of cash and additional assets that could amount to several million dollars into a reclamation trust fund. This fund will be used by a trustee, selected by NRC and concurred upon by the State of Utah. The trustee will become responsible for site reclamation and will be able to receive reimbursement funds from the U.S. Department of Energy for work completed to accomplish this goal.

7. Early this summer, the NRC accepted proposals from organizations desiring to become the trustee for the Atlas site. On August 5, 1999, after consultation with the State of Utah, the NRC determined that Dames & Moore, Inc., would be the appropriate choice for trustee – and the NRC has moved expeditiously to finalize appointment of that trustee. Recently, the NRC received formal concurrence from the State of Utah on the selection of the trustee and has notified Dames & Moore of its selection. Once approval of the bankruptcy court is obtained, the trustee can begin work on the most important near term activity to protect the endangered species, tailings dewatering, with the aim of completing it by July 2002, as required in the license.

8. Because the NRC is an independent agency that regulates the handling of nuclear materials, but does not itself operate nuclear facilities, it does not have authority or funding to undertake direct cleanup actions at this site. See generally Energy Reorganization Act of 1974, § 201 et seq., 42 U.S.C. § 5841 et seq. However, if another Federal agency obtains funding to undertake work or provide resources for necessary work at the site, the NRC will work closely with that agency.

9. Future actions the NRC has planned will continue to show our commitment to fulfilling the recommendations in the Final Biological Opinion. First, now that we have received formal concurrence from the State of Utah on our trustee selection, we will finalize the trust agreement. In addition, we will issue an order to the trustee outlining what must be done at the site. This order will impose those conditions from the Atlas license that the NRC concludes should be required to ensure acceptable site reclamation. The conditions imposed through the order will include the recommendations adopted from the Final Biological Opinion. Second, upon receiving the tailings dewatering plan from the trustee, the NRC will evaluate that to determine if it is acceptable. Consistent with the Final Biological Opinion, the NRC staff recognizes the need to complete dewatering in 30 months.

10. Upon receiving the revised ground water corrective action plan from the trustee (expected next spring), the NRC will review that revised plan to determine if it is acceptable in terms of both NRC regulations and the reasonable and prudent alternative and reasonable and prudent measures. Because the ground water protection plan will represent a new federal action, the NRC expects to consult with the FWS on that plan pursuant to the Endangered Species Act. Once the revised ground water plan is received, the NRC will have a better understanding of the situation related to ground water cleanup. This includes a determination of

whether sufficient financial resources will be available to achieve cleanup consistent with the time frames in the Final Biological Opinion.

11. The availability of sufficient financial resources depends on the outcome of the additional analysis. In particular, the analysis could show one of three things: 1) the ground-water system will flush itself naturally to acceptable concentration limits within the time frame specified in the FBO, i.e. in seven years, and no additional funds would be needed; 2) the ground-water system will not flush naturally, within seven years, to acceptable concentration levels, but remedial actions are possible that will expedite ground-water cleanup. These remedial actions may or may not be able to achieve acceptable concentration limits in seven years; or 3) there are no reasonable remedial actions that will significantly reduce the time for ground water to reach acceptable concentration limits. However, until NRC sees what one of the three options is the case, it does not have a basis for saying the FBO cannot be met, especially given the fact that only option 2 would involve obtaining additional, reasonable funding.

12. Thus, until we receive the revised plan, the NRC has no basis to conclude that the reasonable and prudent alternative and reasonable and prudent measures cannot be met, and thus concludes that a reinitiation of consultation is unnecessary at this time and may be counterproductive in that it will divert scarce resources from other needed activities with no beneficial outcome likely.

I declare under penalty of perjury that the foregoing is true and correct. Executed on September 29, 1999.



Joseph J. Holonich
Deputy Director
Division of Waste Management, NMSS
U.S. Nuclear Regulatory Commission



5

UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

November 04, 1999

Mr. Keith Easton
PricewaterhouseCoopers
Suite 2600, 1201 Louisiana
Houston, Texas 77002

Dear Mr. Easton:

This is to inform you that in accordance with the process established in a bankruptcy settlement agreement, the U.S. Nuclear Regulatory Commission (NRC), and the State of Utah, have chosen PricewaterhouseCoopers to become the Trustee for the Atlas Corporation's uranium mill site near Moab, Utah. The Trust is being created to administer the oversight, reclamation, and cleanup of the Atlas site. The creation of the Trust, however, is contingent upon approval by the United States Bankruptcy Court for the District of Colorado. The decision to choose PricewaterhouseCoopers is based primarily on your submittal of July 9, 1999 and representations made therein and the State of Utah's preference for and concurrence in this selection.

We are enclosing a copy of the draft Trust Instrument which has been modified slightly to accommodate some concerns raised by the State of Utah as the other beneficiary of the Agreement. We do not envision any further modifications to this document. We will contact you to finalize arrangements in the near future. In the interim, if you have any questions, please contact me or Myron Fliegel, the NRC project manager for the Atlas site. I can be reached at (301) 415-6708 and Dr. Fliegel at (301) 415-6629.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joseph Holonich".

Joseph Holonich, Deputy Director
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Enclosure: Trust Agreement

cc: William Sinclair, State of Utah
Thomas Farrell, Dames & Moore
Wallace Mays, CIMA Energy Corp
Arthur C. Reise, Harding Lawson Associates
Hal Herron, Environmental Technologies Inc.

MOAB MILL RECLAMATION TRUST FUND AGREEMENT

THIS MOAB MILL RECLAMATION TRUST AGREEMENT (the "Moab Reclamation Trust"), made this _____ day of _____, 1999, is entered into by and between Atlas Corporation (hereinafter referred to as "Atlas"), a Delaware corporation, as Trustor, and Dames & Moore, Trustee, for the benefit of the United States, on behalf of the U.S. Nuclear Regulatory Commission (NRC), and the State of Utah.

RECITALS

1. Atlas currently holds title to the Moab Mill Site, located in Grand County, Utah, on the northwest shore of the Colorado River, at the southern terminus of the Moab Canyon. The site is surrounded on the north and west sides by high sandstone cliffs; to the north and east is Moab Wash; to the east and south is the flood plain of the Colorado River; and, across the River, is Moab Marsh. The Moab Mill Site is currently subject to the requirements set forth in NRC Source Materials License No. SUA-917 (License). Decommissioning of the mill began in 1988.
2. On May 28, 1999, the NRC issued an Amendment to the License, which approves a final reclamation plan for the Moab Site. The Amendment includes license conditions to satisfy reasonable and prudent alternatives (RPAs) and reasonable and prudent measures (RPMs) outlined in the U.S. Fish and Wildlife Service final biological opinion (FBO) dated July 29, 1998, as required under the Endangered Species Act, 16 U.S.C. 1531 et. seq.
3. On September 22, 1998, Atlas filed a petition for relief under Chapter 11 of the Bankruptcy Code and since that date has been operating as a Debtor in Possession. The NRC has filed a claim in bankruptcy for estimated costs associated with further reclamation of the Moab Mill Site. The State filed a claim in bankruptcy for natural resource damage to the surface water and groundwater. In order to satisfy claims in bankruptcy arising from the Moab Mill Site, Atlas has entered into an agreement, "Moab Uranium Millsite Transfer Agreement" (hereinafter referred to as "Settlement Agreement"), with the NRC, the State of Utah, ACSTAR, and the Official Unsecured Creditors Committee. Pursuant to the Settlement Agreement, Atlas agrees to transfer the Moab Mill Site, along with other real and personal property and certain identifiable funds pursuant to the Settlement, to the Moab Reclamation Trust.
4. The Trustor intends that this Moab Reclamation Trust shall create a "qualified settlement fund" within the meaning of Section 1.468B of the Treasury Regulations.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements provided herein, the Trustee and the Trustor agree as follows:

ARTICLE I DEFINITIONS

Certain capitalized terms, which are not elsewhere defined herein, shall have the following meaning in the Moab Mill Reclamation Trust:

1.01 Capitalized Terms. For all purposes of this Trust, the following terms shall have the meanings set forth below:

"Code" shall mean the Internal Revenue Code of 1986, as amended, or any future codification of the federal revenue laws.

"Court" shall mean the Bankruptcy Court for the District of Colorado (or if no federal court has jurisdiction over the matter, a state or other court of competent jurisdiction).

"Atlas Corporation" or "Atlas" shall mean, for purposes of this Trust Agreement only, Atlas Corporation and its divisions, subsidiaries, affiliates, and successors (including any reorganized company under the Plan of Reorganization), and their respective directors, officers, employees, agents, and attorneys.

"Owner" shall mean the Trustee in his or her capacity as Trustee.

"Licensee" shall mean the Trustee, who will oversee the reclamation activities and be responsible for monitoring the Moab Mill Site pursuant to NRC Materials License No. SUA-917, the License Transfer Order, and this Trust Agreement.

"License" shall mean NRC Source Materials License No. SUA-917, originally issued by the Atomic Energy Commission to the Uranium Reduction Company in 1955 and modified, acquired by Atlas Corporation in 1962, attached as Exhibit A.

"Moab Mill Site" shall mean all that certain tract of land in Grand County, Utah, more fully described in Exhibit B, attached hereto and made a part hereof.

"Settlement Agreement" shall mean the "Moab Uranium Millsite Transfer Agreement" submitted to the court for approval on April 29, 1999, in In Re Atlas Corporation, Case Number 98-2331-DEC, (U.S. Bankruptcy Court, District of Colorado).

"License Transfer Order" shall mean the order issued by the NRC that transfers the License No. SUA-917 for Reclamation of Atlas Corporation Moab Mill, Utah, site.

"Trust" shall mean the Moab Mill Reclamation Trust.

"Trust Agreement" or "Agreement" shall mean this agreement establishing the Moab Mill Reclamation Trust.

"Trust Estate" shall mean all right, title and interest of the Trustee in and to any and all real or personal property held by the Trustee pursuant to this Trust, including without limitation the Moab Mill Site, Atlas' rights to water at the Moab land (listed as 6.3cfs from the Colorado River, Grand County, Utah, Water Right No. 01-40, Application 30032, Certificate 60111), and any and all notes, securities, cash, funds and/or other liquid assets or real property transferred to the Trustee by Atlas Corporation pursuant to the terms of the Settlement Agreement, or by any other person or entity, including without limitation any income or profits derived therefrom.

"Trust Fund" shall mean the Trust Estate (together with the income and/or interest therefrom) exclusive of real property, water rights and other interests in real property.

"Trust Real Property" shall mean the interest in real property transferred from Atlas to the Trustee, consisting of approximately 430 acres, located in Grand County, Utah, along with all buildings, structures, improvements, appurtenances, fixtures and easements transferred to the Trust pursuant to the Settlement Agreement.

"Title X Funds" shall mean funds reimbursed from the Department of Energy pursuant to Title X of the Energy Policy Act of 1992.

"State" shall mean the State of Utah.

1.02 Incorporation of Certain Definitions. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Settlement Agreement.

ARTICLE II

NAME AND PURPOSE OF TRUST

2.01 Name. This Trust shall be known as the "Moab Mill Reclamation Trust."

2.02 Beneficiary. The Trust's receipt, holding and management of the Trust Estate shall be exclusively for the benefit and protection of the United States on behalf of the NRC, and the State, which shall be the sole beneficiaries of this Trust.

2.03 Trust Purposes.

(a) This Trust relates to the Moab Mill Site in Grand County, Utah. The purpose of this Trust is to permit final site closure and license termination consistent with Section 83 of the Atomic Energy Act (AEA) as amended 42 U.S.C. § 2113 and NRC regulations at 10 CFR Parts 20 and Part 40, including Appendix A, in anticipation of Atlas' inability to comply with these statutory and regulatory requirements. The purpose of this Trust is also to permit Atlas to

resolve the NRC's and the State's claims submitted in the bankruptcy proceeding for costs associated with reclamation of the Moab Mill Site pursuant to these requirements.

(b) This Trust is created and shall be operated exclusively to protect public health and safety and the environment and to carry out reclamation of the Moab Mill Site pursuant to the License, License Transfer Order and this Trust Agreement. In carrying out these purposes, the Trust shall comply with all Federal, State and local laws applicable to any entity operating within the State.

(c) Nothing in this Trust Agreement shall derogate from the NRC's or State's authority to have access to and take responsive action with regard to the Moab Mill Site as specified in the Settlement Agreement or as otherwise provided by law.

ARTICLE III DUTIES OF THE TRUSTEE

3.01 Trust Estate. The Trustee shall establish and administer the Trust Estate for the purposes set forth herein and as required by this Agreement.

3.02 Duties of the Trustee. The Trustee shall:

(a) receive and hold title to the Trust Real Property:

(b) implement the reclamation plan as contained in the License and License Transfer Order, pursuant to the following terms:

(1) Before undertaking any reclamation activity, the Trustee shall notify the NRC and the State of its intention to engage in such activity and provide an estimate of funds needed to perform the activity.

(2) The Trustee shall notify NRC and the State by certified registered mail no later than 180 days prior to the anticipated date that all contractual and other projected obligations will have reasonably exhausted the Trust Fund.

(3) When the Trust Fund is depleted the Trustee shall terminate all activities pending further order of the NRC pertaining to termination of the Trust and License and disposition of the Moab Mill Site pursuant to Section 83 of the AEA, 42 U.S.C. § 2113.

(c) to the extent deemed prudent by the Trustee, employ reasonable measures to control access to and prevent unauthorized entry upon, use of, or damage to the Trust Real Property:

(d) to the extent deemed prudent by the Trustee, insure the Trust Real Property against loss due to casualty or third party liability:

(e) receive all remaining assets of the Trust Estate distributed by Atlas pursuant to Section 3C of the Settlement Agreement, and use all reasonable efforts to secure all reimbursements of Title X Funds from the Department of Energy to which it is legally entitled, in accordance with the Settlement Agreement and the License Transfer Order.

(f) make distributions of monies in the Trust Fund as permitted under the Settlement Agreement, License Transfer Order, and this Agreement:

(g) consistent with the terms of the License, License Transfer Order and this Trust Agreement, enter into contracts for services with contractor(s) for the purpose of achieving final site closure, including but not limited to services pertaining to technical studies, regulatory analyses and submissions, reclamation activities, maintenance activities, and/or monitoring of the Moab Mill Site:

(h) invest and reinvest the assets of the Trust Fund pursuant to Article V of this Trust Agreement:

(i) comply with all relevant provisions of the Settlement Agreement and License Transfer Order.

(j) endeavor to use Trust Funds in the most efficient way possible. To that end, whenever it is feasible, the Trustee shall develop plans that will satisfy both NRC and State requirements to avoid waste and duplication of effort: and,

(k) engage in reclamation activities in order to achieve compliance with Federal and State requirements. Consistent with the terms and priorities of the License in license condition 41, the Trustee shall prepare and submit a revised groundwater corrective action program that addresses NRC and State requirements. The Trustee shall begin any groundwater corrective action activities that the NRC determines are needed to protect public health and safety and to fulfill the reasonable and prudent alternatives and the reasonable and prudent measures found in the U.S. Fish and Wildlife Service's final biological opinion. To the extent that Trust Funds are available after completion of surface reclamation and the above groundwater corrective action activities, the Trustee shall implement the remaining portions of the groundwater corrective action program.

ARTICLE IV

TRUSTEE'S POWERS

The Trustee shall have, in addition to those powers conferred by law or specified elsewhere herein and the general powers of the office, and without leave of court, the following powers, which powers shall be exercised in a fiduciary capacity, in the best interest of this Trust and in the sole discretion of the Trustee unless otherwise specified:

4.01 Reclamation of Moab Mill Site. Pursuant to the License Transfer Order, the Trustee is the licensee of the Moab Mill Site for the purposes of performing reclamation at said site. The Trustee has all powers necessary to carry out the terms of the License and the License Transfer Order, including the acceptance of any cash or property to be received from the Department of Energy for claims arising pursuant to Title X of the Energy Policy Act of 1992, and the acceptance of any cash or property from the sale of the Moab Mill Site water rights or uncontaminated or decontaminated portions of the Moab Mill Site, or funds or property from other sources provided without restrictions.

4.02 Payment of Expenses of Administration. To incur and cause to be paid any and all charges, taxes and expenses upon or connected with this Trust in the discharge of its fiduciary obligations.

4.03 Extension of Obligations and Negotiation of Claims. To renew or extend the time of payment of any obligations, secured or unsecured, payable to, or by this Trust, for as long a period or periods of time and on such terms as the Trustee shall determine; and to adjust, settle, compromise, abandon, contest and arbitrate monetary claims or demands in favor of or against this Trust, including claims for taxes, upon such terms as it deems advisable. Responsibility for the satisfaction of any judgments against the Trust resulting from conditions at or relating to the Trust Real Property which stem from the conduct of any former owner, tenant or licensee of the Trust Real Property shall rest solely with the Trust.

4.04 Additional Powers. The Trustee shall have the following powers which may be exercised without court approval:

- (a) To execute and deliver all appropriate instruments;
- (b) To sell at public or private sale, to exchange or otherwise dispose of any property, real or personal, for such consideration, in cash or on credit, with or without security and upon such other terms and conditions as the Trustee shall deem appropriate, without application to any court.
- (c) To record in the appropriate registry any instrument, including any certificate acknowledged by the Trustee as to any fact concerning the Trust Real Property; and any person without actual knowledge to the contrary may rely conclusively on the genuineness of any such instrument and on the correctness of any such certificate;
- (d) To make, execute, or acknowledge, and deliver any and all documents of transfer and conveyance and any other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (e) To register any securities held in the Trust Fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine

certificates representing such securities with certificates of the same issued held by the Trustee in other fiduciary capacities or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve Bank, but the books and records of the Trustee shall at all times show all such securities are part of the Trust Fund;

(f) To deposit any cash in the Trust Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or State government; and

(g) To compromise or otherwise adjust all claims in favor or against the Trust Estate and to participate in administrative proceedings and other litigation affecting the interests of the Trust, except that NRC Staff shall, to the extent permitted by law and regulation, participate in any lawsuits, requests for hearings or other proceedings challenging the issuance or implementation of the License or License Transfer Order.

4.05 Powers of Trustee to Continue. The Trustee may exercise any of such powers until such time as the Trust is terminated in accordance with Article IX of this Trust Agreement.

4.06 Persons Dealing with Trust. No person dealing with this Trust shall be required to see to the application of any money or property delivered to the Trustee, or to see that the terms and conditions of this Trust have been complied with. Every instrument executed or action taken by the person or entity appearing to be the Trustee shall be conclusive evidence that this Trust was in full force and effect when the instrument was delivered or the action was taken; that such person or entity was the Trustee; and that such instrument or action was valid and legally binding.

4.07 Reliance of Purchasers and Others. Every agreement, deed, or other instrument or document executed or action taken by the Trustee or any successor or additional Trustee, shall be conclusive evidence in favor of every person relying thereon or claiming thereunder that at the time of the delivery thereof or of the taking of such action this Trust was in full force and effect and that such instrument or document or action is valid, binding and legally enforceable. Any person dealing with the Trust Estate or the Trustee may always rely without inquiry on a certificate signed as aforesaid as to who is the Trustee or Trustees or the beneficiaries hereunder, or as to the authority of the Trustee to act, or as to the existence or nonexistence of any fact or facts which constitute conditions precedent to acts by the Trustee or which are in any other manner germane to the affairs of the Trust.

ARTICLE V
ESTABLISHMENT OF TRUST FUND

5.01 Establishment of Trust Fund. The Trust Fund shall be established upon receipt of assets by the Trust from Atlas pursuant to the Settlement Agreement.

5.02 Disbursements from the Trust Fund.

Disbursements from the Trust Fund are authorized:

(a) for payment on a monthly basis of compensation to the Trustee as provided in Article VII of this Trust Agreement:

(b) to make any tax payment required by law:

(c) for administration of the Trust, including those activities required under the License, any amendments thereto, and the License Transfer Order, and to comply with all Federal, State and local laws applicable to any entity operating within the State:

(d) for the purchase of comprehensive general liability insurance or other insurance naming the Trust as the sole beneficiary and of insurance covering the Trustee in his or her personal capacity for liability arising with respect to the Trust other than for gross negligence or breach of fiduciary duty on the part of the Trustee:

(e) for payment of reasonable attorneys fees in the event that the Trustee is required to seek legal advice in order to implement the terms of this Trust, the Settlement Agreement or the License Transfer Order:

(f) for payment of attorneys fees or other litigation expenses and costs of the Trustee in the event that the Trustee is sued in his or her personal capacity with regard to the Moab Mill Site or this Trust, but only to the extent that an existing insurance policy does not otherwise provide for payment or reimbursement of such fees, expenses or costs:

(g) to employ attorneys, custodians, engineers, clerks, and other necessary agents or employees (including any firm or entity in which the Trustee may have an interest), as are reasonable in view of the scope and purposes of this Trust; and

(h) for any other purpose requested by the Trustee and expressly approved in writing by the NRC and the State.

5.03 Preservation of Principal. Notwithstanding any other provision in this Agreement, until disbursement the assets of the Trust Fund shall at all times be held, managed and invested in a manner designed to preserve the principal of the Trust Fund. To this end, the assets of the Trust Fund shall be invested in the following investments:

(a) United States government obligations, whether invested in directly, or in the form of securities of, or other interests in, any open-end or closed-end investment company registered under the provisions of the Federal Investment Company Act of 1940, 15 U.S.C. § 80a-1 *et seq.*, if (i) the portfolio of the open-end or closed-end investment company is limited to direct obligations of the United States government and to repurchase agreements fully collateralized by United States government obligations, and (ii) the open-end or closed-end investment company takes delivery of that collateral, either directly or through an authorized custodian.

(b) Shares, share-free accounts, certificates of deposit, or investment certificates of any insured financial institution, *i.e.*, any bank, trust company, savings institution, or credit union chartered and supervised under state or federal law.

The application of any "prudent person" or "prudent investor" rule, and any duty to diversify, are hereby expressly waived to the extent inconsistent with Section 5.03.

ARTICLE VI

REPORT OF ACTIVITIES AND FILING OF TAX RETURNS

6.01 Bi-Annual Report. By January 15 and July 15 of each year, the Trustee shall render a written report to the NRC and the State of his or her activities for the prior six months. The report shall include a detailed itemization of all expenses paid in the prior six months, as well as a detailed report of the Trustee's activities with respect to the Trust Estate.

6.02 Reclamation Report. Upon reasonable request of either the NRC or the State, the Trustee shall render oral and or written reports detailing the status of reclamation of the Moab Mill Site and the implementation of the License Transfer Order.

6.03 Copies of Reports. The Trustee shall provide copies of the bi-annual report to any person or entity who requests it in writing. The Trustee shall be entitled to recover from any such persons or entities (other than the NRC, the State, or Atlas, or its successors or assigns) the cost of providing copies of such reports, and the Trustee shall have no obligation to deliver such copies until such person or entity has reimbursed the Trustee for such costs.

6.04 Right to Compel Accounting. The NRC and the State, in their joint discretion, shall have the power to compel an accounting of the Trustee for the performance of the Trust.

6.05 Tax Treatment. Atlas intends this Trust to be construed as a non-grantor trust and a taxable entity to the extent any tax may be payable on income of the Trust. Atlas further intends for the Trust to be taxed as a qualified settlement fund under Section 468B of the Code and the regulations promulgated thereunder. Atlas recognizes that the United States has taken no position as to whether this trust is a qualified settlement fund. Notwithstanding the foregoing, the Trustee shall pay to Atlas an amount equal to any federal, state or local income taxes imposed on Atlas with respect to gains realized by or income of this Trust, and the Trustee shall make such payments to Atlas in ample time for Atlas to pay such additional taxes.

6.06 The Trustee shall file all necessary federal and state tax returns relating to gains and income earned in connection with trust assets, and shall file such information as is required pursuant to applicable Treasury Regulations.

ARTICLE VII

CONDITIONS OF TRUSTEE'S OBLIGATIONS

The Trustee accepts the Trust imposed upon him or her but only upon and subject to the following express terms and conditions:

7.01 Limitation of Liability. The Trustee's liability shall be limited pursuant to Article X of this Trust Agreement.

7.02 Reliance on Documentation. The Trustee shall be protected in acting in accordance with the provisions of this Trust upon any notice, requisition, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by the Trustee to be genuine and to have been signed or sent by the proper person or persons.

7.03 Right to Demand Documentation. Notwithstanding anything else in this Trust, in the administration of the Trust, the Trustee shall have the right to demand before disbursing any cash or in respect of any action whatsoever within the purview of this Trust, any showings, certificates, opinions, appraisals, or other information, or action or evidence thereof, in addition to that required by the terms hereof which the Trustee reasonably believes to be necessary or desirable.

7.04 Trustee's Compensation. The Trustee shall receive reasonable compensation for his or her services hereunder from the Trust Fund as agreed in writing between the Trustee, the NRC and the State.

ARTICLE VIII

SUCCESSOR TRUSTEES

8.01 Resignation of Trustee. Any Trustee may resign by giving not less than 120 days written notice to the NRC and the State and such resignation shall take effect upon the

appointment of a successor Trustee. If any individual Trustee becomes mentally or physically unable to serve, a certificate so stating from such Trustee's then attending physician submitted to the NRC and the State shall constitute such Trustee's resignation. If any Trustee shall be dissolved or in the course of dissolution or liquidation, or otherwise unable to continue to act as Trustee, as finally determined by the NRC and the State, a certificate so stating from the NRC and the State shall constitute such Trustee's resignation. The Trustee's resignation shall be recorded with the Registry immediately prior to the recording of the successor Trustee's acceptance or upon the effective date of resignation, whichever is earlier.

8.02 Appointment of Successor Trustee. If the Trustee or any successor Trustee ceases to serve as Trustee, a successor Trustee may be appointed by the NRC and the State, pursuant to the procedures for the selection of a Trustee set forth in the Settlement Agreement, by an instrument in writing, signed by the NRC and the State, and delivered to the successor Trustee. In the event that no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article within sixty days after a vacancy shall have occurred, any interested person and/or any retiring Trustee may apply to the Court for the appointment of a successor Trustee, and the Court may thereupon, after such notice, if any, as it shall deem proper, prescribe or appoint a successor Trustee. Each successor Trustee shall qualify upon written acceptance attached hereto and recorded with the Registry and thereafter shall have the same powers, immunities and discretions as the original Trustee.

8.03 Transfer to Successor Trustee. Upon any successor Trustee's qualification, as provided in Article 8.02, such successor Trustee, without any further act, deed, or conveyancer shall become fully vested with all the estates, rights, powers, trusts, duties and other obligations hereunder of its predecessor; but such predecessor shall nevertheless, upon written request of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, rights, powers, and trusts of such predecessor; and every predecessor Trustee shall deliver all property of any kind held in trust by it to its successor; provided, however, that before any such delivery is required or made, all reasonable, customary and legally accrued fees, advances and expenses of any such predecessor Trustee shall be paid in full.

8.04 Merger or Consolidation of Trustee. Any corporation or association into which the Trustee or any successor Trustee may be merged or converted, or with which the Trustee or any successor Trustee may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Trustee or any successor Trustee shall be a party, shall be a successor Trustee under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, notwithstanding anything to the contrary herein.

8.05 Performance of Trustee's Duties During Vacancy. If for any reason the Trustee's position should become vacant, the duties of the Trustee hereunder shall be carried out by an entity approved by the NRC, for a period not to exceed 180 days, pending the appointment of a

successor Trustee or the termination of the Trust, but the NRC and the State shall not during this period be deemed to be the Trustee.

8.06 Termination of Trustee by NRC and State. The NRC and the State may jointly terminate the Trustee at any time upon 21 days written notice. The Trustee will be paid all reasonable costs and fees incurred in the conclusion of its activities as a Trustee.

ARTICLE IX

DISTRIBUTION OF TRUST PROPERTY AND TERMINATION OF TRUST

9.01 Transfer of the Trust Real Property. The Trustee may, at any time and with the approval of the NRC in writing, transfer exclusively for public purposes all or any portion of the Trust Real Property or water rights, provided that the transferee agrees in writing to accept the transfer.

9.02 Termination of Trust. This Trust shall terminate under either of the following conditions:

(a) This Trust and the Trust Fund shall terminate upon the earlier of: (i) the date that is twenty-one (21) years after the date of the death of the last to die of a class consisting of the descendants of the members of the Utah State Legislature who served at any point during the Legislature's 1999 General Session who shall be living on the date this Trust is executed or (ii) the transfer of all of the Trust Real Property and water rights pursuant to Article 9.01 above and the Trustee's having complied with all of the relevant provisions of the Settlement Agreement, subject to the approval of the NRC and the State (which approval shall not be unreasonably withheld). Any balance of the Trust Estate, less final trust administration expenses, shall be distributed to a trust approved by the NRC and the State for use as the NRC and the State shall direct; or

(b) In the event that the Trust Real Property is not transferred and the Trust Fund has been exhausted, the Trust shall terminate.

ARTICLE X

LIABILITY TO THE TRUSTEE

10.01 No Liability. Notwithstanding anything else appearing herein, neither the United States, the State, nor Atlas shall be liable to the Trust, the Trustee, or any person claiming to be a beneficiary of this Trust, for any damages or other payments whatsoever arising out of matters related to the Trust or the Trust Estate (including without limitation the Trust Real Property) and the Trustee shall not have the power to sue the United States, the State, or Atlas in any forum except for the purpose of enforcing the terms of this Trust Agreement or the Settlement Agreement.

10.02 Personal Liability. The Trustee shall not be personally liable pursuant to this Trust Agreement except for gross negligence or willful acts or omissions in relation to the Trustee's duties hereunder.

10.03 Limitation on Financial Liability. No provision of this Trust shall require the Trustee to expend or risk his or her own individual funds or otherwise incur any financial liability in the performance of any of the duties of the Trustee hereunder, or in the exercise of any of the Trustee's rights or powers, nor to take any action pursuant to this trust, which in the reasonable judgment of the Trustee may conflict with any rule of law or with the terms of this Trust or with the terms of the Settlement Agreement or License Transfer Order and License.

ARTICLE XI MISCELLANEOUS

11.01 Particular Words. Any word contained in the text of this Trust shall be read as a singular or plural and a masculine, feminine or neuter as may be applicable or permissible in the particular context. Unless otherwise specifically stated the word "person" shall be taken to mean and include an individual, partnership, association, trust, company or corporation.

11.02 Severability of Provisions. If any provision of this Trust or its application to any person or entity or in any circumstances shall be held to be invalid and unenforceable, the application of such provision to persons or entities and in circumstances other than those as to which it is invalid or unenforceable, and the other provisions of this Trust shall not be affected by such invalidity or unenforceability.

11.03 Governing Jurisdiction. This Trust shall be under the continuing jurisdiction of the United States Bankruptcy Court for the District of Colorado. Subject to the provisions of the Settlement Agreement, the validity, interpretation and performance of this Trust shall be governed by the laws of the State of Colorado, except that with regard to real property, water rights and other interests in real property that are located in the State of Utah, the validity, interpretation and performance of the Trust shall be governed by the laws of the State of Utah.

11.04 Modification. Atlas intends this Trust Agreement to be irrevocable; provided, however, that the Trustee may modify this Trust Agreement with the written approval of the NRC and the State, to the extent necessary (i) to comply with the provisions of 468B of the Code and the regulations thereunder, and (ii) to fulfill the purposes of this Trust as set forth in Article II.

11.05 Construction of Terms. In the event of any ambiguity or contradiction in the terms of this Trust, such terms shall be construed so as to conform to the provisions of the Settlement Agreement, where applicable, and so as to fulfill the purposes of this Trust.

ARTICLE XII
EFFECTIVENESS

12.01 Effectiveness. This Agreement shall not be deemed effective unless and until the United States Bankruptcy Court for the District of Colorado approves the Settlement Agreement. The effective date of this Trust Agreement shall be consistent with the effective date provisions of the Settlement Agreement.

IN WITNESS WHEREOF, Atlas Corporation, by its duly authorized officer, hereby sets its hand and seal as Trustor and Dames & Moore, by its duly authorized officer, hereby sets its hand and seal as Trustee.

ATLAS CORPORATION

By: _____ (Print Name and Title)

Date: _____

TRUSTEE

By: _____ (Print Name and Title)

Date: _____

6

December 23, 1999

Mr. Robert Clark
Assistant U.S. Attorney
U.S. Department of Justice
District of Colorado
Civil Division
1961 Stout Street, Suite 1100
Denver, CO 80294

Dear Mr. Clark,

Enclosed, for your use, is an executed Release pertaining to the ACSTAR Insurance Company relative to the Atlas Reclamation Trust. It acknowledges payment of \$5,250,000 and releases ACSTAR of any and all liability that may accrue as a result of the past, present, and future activities at the Uranium Millsite formerly operated by the Atlas Corporation near Moab, Utah.

If you have any questions of a technical or programmatic nature pertaining to this matter, please contact Mr. Myron (Mike) Fliegel of my staff on (301) 415-6629. Legal issues should be directed to Ms. Maria Schwartz of the U.S. Nuclear Regulatory Commission's Office of General Counsel on (301) 415-1888.

Sincerely,

Original Signed By

Thomas H. Essig, Chief
Uranium Recovery and
Low-Level Waste Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Enclosure: Release

cc: M. Fliegel
M. Schwartz, OGC

DISTRIBUTION w/Encl.: File Center NMSS r/f URLL r/f BSpitzberg, RIV
NMSS Dir. Off. r/f ACNW PUBLIC DWM r/f MLayton JHolonich
DGillen WKane MVirgilio JGreeves J. Holonich
SBurns, OGC JGray, OGC SMartz, OGC
DOCUMENT NAME: G:\URLL\MHF\LETTERORDER.WPD

OFC	URLL <i>MS</i>					
NAME	TEssig:cc					
DATE	12/23/99					

OFFICIAL RECORD COPY

This document should/should not be made available to the PUBLIC _____ / /
(Initials) (Date)

L/H



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D. C. 20555-0001

December 23, 1999

Mr. Robert Clark
Assistant U.S. Attorney
U.S. Department of Justice
District of Colorado
Civil Division
1961 Stout Street, Suite 1100
Denver, CO 80294

Dear Mr. Clark,

Enclosed, for your use, is an executed Release pertaining to the ACSTAR Insurance Company relative to the Atlas Reclamation Trust. It acknowledges payment of \$5,250,000 and releases ACSTAR of any and all liability that may accrue as a result of the past, present, and future activities at the Uranium Millsite formerly operated by the Atlas Corporation near Moab, Utah.

If you have any questions of a technical or programmatic nature pertaining to this matter, please contact Mr. Myron (Mike) Fliegel of my staff on (301) 415-6629. Legal issues should be directed to Ms. Maria Schwartz of the U.S. Nuclear Regulatory Commission's Office of General Counsel on (301) 415-1888.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas H. Essig".

Thomas H. Essig, Chief
Uranium Recovery and
Low-Level Waste Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Enclosure: Release

cc: M. Fliegel
M. Schwartz, OGC

ENCLOSURE



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555-0001

RELEASE

THIS release is entered into and given this 21st day of December, 1999, by the United States Nuclear Regulatory Commission ("NRC").

1. Whereas, ACSTAR Insurance Company ("ACSTAR") issued the following described surety bond on behalf of Atlas Corporation:

ACSTAR Bond No. 5652, Dated November 23, 1994,

issued with the NRC as Obligee, ATLAS as Principal, having a

penal sum of Six Million Five Hundred Thousand (\$6,500,000)

Dollars Only, and concerning the decommissioning of mill tailings

operations at Moab, Utah, Uranium Millsite, (facility License

SUA-917) (hereinafter respectively "Bond" and "Moab Site").

2. Whereas, the NRC, ACSTAR, and Atlas, among others, reached an agreement concerning ACSTAR's liability under said Bond as reflected in that certain agreement known as the Uranium Millsite Transfer Agreement ("Agreement"), said Agreement having been approved by the United States Bankruptcy Court in the case In Re Atlas Corporation, Case No. 98 23331 DEC, ongoing in the United States Bankruptcy Court for the District of Colorado, a copy of which Agreement is attached hereto as Exhibit A and is incorporated herein by reference.

3. Pursuant to the terms of said Agreement ACSTAR was obliged to pay Five Million Two Hundred Fifty Thousand (\$5,250,000) Dollars to the Reclamation Trust which is being established under the Agreement in full, final and complete discharge of ACSTAR's obligations under said Bond and related to the Moab Site on the effective date of Atlas Plan of Reorganization or December 31, 1999 - whichever comes first.

4. NRC hereby acknowledges that ACSTAR has paid Five Million Two Hundred Fifty (\$5,250,000) Dollars to the Reclamation Trust, and in consideration of that payment and NRC's obligations under Paragraph 7 of the Agreement, NRC, for itself, its successors and assigns, by and through its undersigned authorized agent, does hereby fully, completely **RELEASE** and **DISCHARGE** ACSTAR, its officers, employees, agents, successors, assigns, insurers, reinsurers, and affiliates, of and from any and all liability, claims, damages or causes of action, whether known or unknown, discovered or undiscovered, existing or which may arise in the future, arising out of or connected in any way with the Bond, ACSTAR's handling of and

adjustment of any claims under the Bond, and the Moab Site, and NRC does hereby acknowledge and agree that the Bond is fully Released and Discharged.

5. This Release shall be construed according to the Laws of the State of Colorado.

The signatory hereto warrants his full authority to give and execute this Release for all purposes specified.

By: /s/ William Kane
Title: Director, Office of Nuclear Material Safety & Safeguards

STATE OF Maryland)
COUNTY OF Prince Georges)

Subscribed and sworn to before me this 21st day of December, 1999, by the NMSS Office Director as representative of the U.S. Nuclear Regulatory Commission.

Virginia Lee Shape
Notary Public

My Commission Expires:

January 1, 2003

DISTRIBUTION w/Attach.: File Center URLL r/f BSpitzberg/RIV
JHolonich ~~Mlayton~~ TESSIG
DOCUMENT NAME: G:\URLLMHP\RELEASE1.WPD

OFC	URLL <u>ATC</u>	OGC		NMSS
NAME	MFliegel:ec	MSchwartz <u>mEB</u>		WK <u>[Signature]</u>
DATE	<u>12/15/99</u>	12/15/99		12/21/99

WRE 12/15/99

OFFICIAL RECORD COPY

This document should should not be made available to the public.

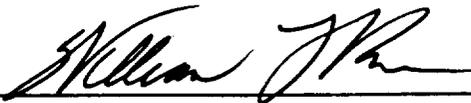
WRE
Initials

12/15/99
Date

adjustment of any claims under the Bond, and the Moab Site, and NRC does hereby acknowledge and agree that the Bond is fully Released and Discharged.

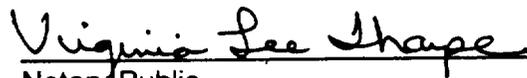
5. This Release shall be construed according to the Laws of the State of Colorado.

The signatory hereto warrants his full authority to give and execute this Release for all purposes specified.

By: 
Title: Director, Office of Nuclear Material Safety & Safeguards

STATE OF Maryland)
COUNTY OF Prince Georges)

Subscribed and sworn to before me this 21st day of December, 1999, by the NMSS Office Director as representative of the U.S. Nuclear Regulatory Commission.


Notary Public

My Commission Expires:

January 1, 2003



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D C 20555-0001

December 27, 1999

Mr. William Abington, Partner
PricewaterhouseCoopers, LLP
1201 Louisiana, Suite 2600
Houston, TX 77002-5678

SUBJECT: ORDER TRANSFERRING LICENSE NO. SUA-917 FOR THE ATLAS
CORPORATION MILL SITE NEAR MOAB, UTAH

Dear Mr. Abington:

Enclosed please find an Order from the U.S. Nuclear Regulatory Commission (NRC), transferring license number SUA-917 to the Moab Mill Reclamation Trust (Enclosure 1). As the trustee, you will be responsible for implementing the requirements of the Order and the license. The license is being reissued to reflect the change in the named licensee.

Enclosure 2 is the reissued license. If you have any questions, please contact me or Thomas Essig, the NRC Branch Chief responsible for this site. I can be reached at (301) 415-7800 and Mr. Essig can be reached at (301) 415-7238.

Sincerely,

A handwritten signature in black ink, appearing to read "William F. Kane".

William F. Kane, Director
Office of Nuclear Material Safety
and Safeguards

Enclosures: 1. Order transferring license
2. License

cc: See attached list

4/5

Addressees for Letter Dated December 27, 1999

Sylvia Barrett
Metropolitan Water District of
Southern California
700 Moreno Avenue
LaVerne, California 91750

Richard Blubaugh
Vice President of Environmental
and Government Affairs
Atlas Corporation
370 Seventeenth Street, Suite 3140
Denver, Colorado 80202

R.L. Christie, ATL
P.O. Box 1366
Moab, Utah 84532

John E. Cook, Reg. Dir.
Rocky Mountain Region
National Park Service
U.S. Department of the Interior
12795 Alameda Parkway
P.O. Box 25287
Denver, Colorado 80225-0287

Walt Dabney, Superintendent
Canyonlands National Park
National Park Service
2282 S. West Resource Blvd.
Moab, Utah 84532

Susan Daggett
Earthjustice Legal Defense Fund, Inc.
1631 Glenarm Place, Suite 300
Denver, Colorado 80202

Keith Eastin, Director
Financial Advisory Services
PricewaterhouseCoopers LLP
1201 Louisiana, Suite 2900
Houston, Texas 77002-5678

Dale Edwards
Radiation Protection Coordinator
Atlas Corporation
P.O. Box 1207
Moab, Utah 84532

Grand County Library
25 South 100 East
Moab, Utah 84532

Reed Harris
U.S. Fish and Wildlife Service
Lincoln Plaza, Suite 404
Salt Lake City, Utah 84115

Dave Hutchenson
Grand County Administrator
125 East Center
Moab, Utah 84533

Dan Kimball, Chief
Water Resources Division
National Park Service
U.S. Department of Interior
1201 Oakridge Drive, Suite 250
Fort Collins, Colorado 80525

William Lamb
Associate State Director
Bureau of Land Management
324 South State Street
Salt Lake City, Utah 84111-2303

Milton K. Lammering
U.S. Environmental Protection Agency
Region VIII
999 18th Street, Suite 500
Denver, Colorado 80202-2405

Bart Leavitt
Grand County Council
125 East Center
Moab, Utah 84533

Al McLeod
Grand County Council
125 East Center
Moab, Utah 84533

Dave Mathes
EM-45
U.S. Department of Energy
19901 Germantown Road
Cloverleaf Building
Germantown, MD 20874-1290

Harvey Merrill
Grand County Council
125 East Center
Moab, Utah 84533

Marcia Moore
W0760
Bureau of Land Management
1849 C Street, NW
Washington, DC 20240

Ralph Morganweck
Regional Director
U.S. Fish and Wildlife Service
Post Office Box 25486
Denver Regional Center
Denver, Colorado 80225-0486

Kerry Moss
National Park Service
Mining and Minerals Branch
P.O. Box 25287
Denver, Colorado 80236

Dianne Nielson
Executive Director
Department of Environmental Quality
State of Utah
168 North 1950 West
Salt Lake City, Utah 84114-4810

Vijai Rai
Senior Environmental Review Officer
Office of Environmental Policy and
Compliance
U.S. Department of the Interior
1849 C Street, NW
Mail Stop 2340
Washington, DC 20240

Steve Rauzi
416 West Congress #100
Tucson, Arizona 85701

Robert M. Reed, Supervisor
Environmental Analysis and
Assessment Section
Oak Ridge National Laboratory
Bethel Valley Road
P.O. Box 2008
Oak Ridge, Tennessee 37831-6200

Gabrielle Sigel
Jenner & Block
One IBM Plaza
Chicago, Illinois 60611

William J. Sinclair, Director
Division of Radiation Control
Department of Environmental Quality
State of Utah
168 North 1950 West
P.O. Box 144850
Salt Lake City, Utah 84114-4850

Anthony J. Thompson
Shaw, Pittman, Potts & Trowbridge
2300 N Street, N.W.
Washington, DC 20037-1128

Christine Turk, Chief
Branch of Compliance
National Park Service
12795 W. Alameda Parkway
P.O. Box 25287
Denver, Colorado 80225

Joe Webster
U.S. Fish and Wildlife Service
Region 6
P.O. Box 25486
Denver Federal Center
134 Union, Suite 400
Lakewood, Colorado 80225-0486

Wes Wilson
U.S. EPA - Region VIII
999 18th Street, Suite 500
Denver, Colorado 80202-2405

ENCLOSURE 1

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
ATLAS CORPORATION)
(Moab Mill Site, Utah))
)
License No. SUA-917)
)

Docket No. 40-3453

ORDER TRANSFERRING LICENSE NO. SUA-917
FOR THE MOAB MILL SITE

I.

Atlas Corporation (Atlas) is the holder of License No. SUA-917, which authorized the milling of uranium ore at Atlas' Moab Mill Site located in Moab, Utah. In accordance with Amendment No. 31 of the license, the license will not expire until the NRC terminates it.

II.

Atlas acquired the Moab Mill Site in 1962 from the Uranium Reduction Company (URC) which built milling facilities and began operations at the site in October 1956. The site is located in Grand County, Utah, on the northwest shore of the Colorado River, 5 km (3 miles) from the center of Moab, and can be accessed from U.S. Highway 191 north of Moab. The site encompasses 162 hectares (400 acres) on the outside bend of the Colorado River, at the southern terminus of the Moab Canyon. The site is surrounded on the north and west sides by

high sandstone cliffs. to the north and east is Moab Wash. to the east and south is the flood plain of the Colorado River; and, across the river, is Moab Marsh. The site generally slopes toward the Colorado River and Moab Wash. The uranium tailings from the Moab milling operations occupy about 53 hectares (130 acres) of land about 230 m (750 ft) from the Colorado River. Mill operations ceased in 1984. Decommissioning of the mill began in 1988. Construction of an interim cover for placement over the tailing disposal area began in 1989 and was completed in 1995.

III.

On September 22, 1998, Atlas filed a petition for relief under Chapter 11 of the U.S. Bankruptcy Code and since that date has been operating as a Debtor in Possession. After filing for relief, Atlas entered into settlement discussions with the U.S. Nuclear Regulatory Commission (NRC), the State of Utah, and other parties to the bankruptcy proceeding regarding the reclamation and disposition of the Moab Mill Site. Those discussions resulted in the development of the Moab Uranium Millsite Transfer Agreement (Settlement Agreement) which provides for transfer of the Moab Mill Site and the NRC license to a trust, the trustee of which would carry out remediation of the site pursuant to the terms and conditions of NRC License SUA-917, as amended on June 24, 1999. The terms and conditions of NRC License SUA-917 include the reasonable and prudent alternatives (RPAs) and reasonable and prudent measures (RPMs) in the U.S. Fish and Wildlife Service's final biological opinion (FBO) dated July 29, 1998 (included in the NRC's "Final Environmental Impact Statement Related to Reclamation of the Uranium Mill Tailings at the Atlas Site, Moab, Utah," (FEIS) NUREG-1531, published in March 1999), as well as mitigative measures developed by the NRC staff.

3

The NRC, which had filed claims in bankruptcy against Atlas totaling about \$44 million, entered into the Settlement Agreement described in the preceding paragraph rather than involve the NRC in a protracted legal dispute over the limited funds that would be available for site remediation from the liquidation of the Atlas Corporation. The NRC believes that measures taken pursuant to the Settlement Agreement will permit remediation of the Moab Mill Site to proceed in a more timely manner and will maximize the amount of private funding available for remediation of the Moab Mill Site. The Settlement Agreement was submitted to the United States Bankruptcy Court for the District of Colorado for approval on April 29, 1999. On December 1, 1999, the Court issued an Order confirming the second amended plan of reorganization of the Atlas Corporation, which includes the Settlement Agreement.

Consistent with the terms of the Settlement Agreement, the NRC and the State of Utah undertook to identify a Trustee to administer the Moab Mill Reclamation Trust (Trust). PricewaterhouseCoopers LLP (Trustee) has agreed to undertake remediation of the Moab Mill Site, pursuant to 10 C.F.R. Part 40 under License SUA-917 and in accordance with the Trust established for such purposes. The NRC has agreed to accept the Settlement Agreement in satisfaction of Atlas' regulatory responsibilities under 10 C.F.R. Part 40 for remediation of the Moab Mill Site, to transfer License SUA-917 to the Trust, and to limit the Trustee's liability for remediation and maintenance of the site to the amount of funding available to the Trust from Atlas' assets, receivables and future receivables transferred to the Trust under the Settlement Agreement, and any other assets which may become available to the Trust. The NRC is aware that because of the time involved in concluding the bankruptcy proceeding, some dates in the license conditions have already passed while others are imminent and therefore, might be impractical for the Trustee to meet. These dates will be considered in future actions.

Current assets and receivables include the following:

- (1) \$5.25 million in cash from Atlas/ACSTAR (the entity which holds the reclamation bond issued for the benefit of the NRC to be used for reclamation of the Moab Mill Site. This entity has agreed to transfer the sum to the Trust in full and complete satisfaction of its obligations under Bond #5652);
- (2) the assignment of funds from the Department of Energy pursuant to the Energy Policy Act of 1992 (Pub. L. 102-486, Title X, Section 1001, Oct. 24, 1992, 106 Stat. 2946, codified at 42 U.S.C. 2296(a)), [hereinafter "Title X funds"] for past claims. This amount is estimated to be approximately \$1,082,000;
- (3) fifty (50) percent of any net recovery from collection of the disputed Title X claim for dismantling performed by American Reclamation and Dismantling Inc. (ARD claim);
- (4) any and all of Atlas' rights as a licensee to future Title X funds;
- (5) Atlas' water rights located at the Moab Land, listed as 6.3 cubic feet per second (cfs) from the Colorado River, Grand County, Utah, Water Right Number 01-40, Application 30032, Certificate No. 60111;
- (6) Atlas' possible Water Rights in the following:
 - A. Water Right Number 01-1121 for 31 acre-feet, a segregation application from Water Right Number 01-40;
 - B. Water Right Number 09-199 for 3.33 cfs in the San Juan River;
 - C. Water Right Number 05-982 for .015 cfs for a well in the Monticello Mining District;
 - D. Water Right Number 99-32 for .004 cfs from Seep Springs (approximately 4 miles from Fry Canyon);

(7) Atlas' interest in the certain real property owned by Atlas and consisting of approximately 430 acres, located in Grand County, Utah, together with all buildings, structures, improvements, appurtenances, fixtures, and easements; and,

(8) two and a half (2.5) percent of the stock in a reorganized Atlas Corporation which would be issued to the Reclamation Trust.

The land and water rights, herein described, have stand-alone value and may be sold by the Trustee independent of, and prior to or during, any reclamation work being performed at the site by the Trustee. As to items 5, 6, and 7 above, Atlas will transfer all said assets to the Trust by way of quit claim deed or similar document, without representations, warranties, or indemnification rights of any kind.

IV.

Remediation of the Moab Mill Site is to be conducted in accordance with the terms and conditions of License SUA-917. These include the RPAs and RPMs in the U.S. Fish and Wildlife Service's FBO, dated July 29, 1998. The Trustee has agreed to these terms and conditions. The NRC, as the lead Federal Agency regarding the consultation required under Section 7 of the Endangered Species Act of 1973 (16 U.S.C 1531 et seq.), has included these RPAs and RPMs in the NRC's NUREG-1531 published in March 1999.

The Trustee's maintenance of the site and administration of the remediation of the site in accordance with the terms of license SUA-917 and the terms of this Order, will provide adequate protection of the public health and safety and reasonable assurance of compliance with the Commission's regulations.

Pursuant to the terms of the Settlement Agreement described in the preceding sections of this Order, the NRC, with concurrence from the State of Utah, selected PricewaterhouseCoopers LLP as Trustee. PricewaterhouseCoopers LLP is qualified to perform the duties enumerated in this Order.

In view of the foregoing, I have authorized the transfer of License SUA-917 which will be amended to reflect the change in the named licensee. The Trustee accedes to this Order voluntarily, and has agreed to take the necessary steps to undertake remediation of the site to the extent permitted by the funds available to the Trust, according to the requirements in Part V of this Order.

V.

Accordingly, pursuant to Sections 62, 63, 81, 84, 161b, 161i, 161o and 184 of the Atomic Energy Act of 1954, as amended (42 USC 2011 et seq.), and the Commission's regulations in 10 C.F.R. Part 40, IT IS HEREBY ORDERED that, effective December 30, 1999, License SUA-917 is transferred to the Trust and the Trustee is authorized to possess byproduct material in the form of uranium waste tailings and other uranium waste generated by Atlas' milling operations at the Moab Mill Site pursuant to the terms and conditions of License SUA-917. IT IS FURTHER ORDERED that:

A. The Trustee shall:

1. Perform remediation of the site pursuant to the terms and conditions of NRC License SUA-917.
2. Notify and request relief from the Chief, Uranium Recovery and Low-Level Waste Branch, Division of Waste Management, Office of Nuclear Material Safety and

7

Safeguards, NRC, Washington, DC 20555-0001, if the Trustee believes it should be relieved of any requirements in the license because the Trustee believes that these requirements are impracticable given the parameters of the Trust Agreement or that they have either been satisfactorily completed or are unnecessary. The Trustee will continue to comply with all requirements in this license pending NRC action on the Trustee's request for relief from specified requirements under this subsection.

3. Cooperate with the NRC (or its contractor) in NRC's site inspections.
4. Cooperate with the U.S. Department of Energy (DOE) in matters relating to the transfer of the site to DOE, including preparation by DOE of the site Long-Term Surveillance Plan required by 10 C.F.R. 40.28.
5. Use reasonable efforts to secure all Title X funds from the Department of Energy pursuant to section 1001 of the Energy Policy Act of 1992 (42 U.S.C. 13201 et. seq.) to which it is legally entitled, including requests for additional Title X funds from DOE based on remediation work at the site performed by or on behalf of the Trust.
6. Notify the Director, Office of Nuclear Material Safety and Safeguards, NRC, Washington, DC 20555-0001, and the Regional Administrator, NRC Region IV, NRC Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, TX 76011-8064, by certified registered mail, no later than 180 days prior to the anticipated date, that all contractual and other projected obligations will have reasonably exhausted the Trust Fund.

- 7 Upon notification required by paragraph 6 of this Part, cease remediation work as set forth in this Order, and commence passive maintenance and monitoring only of the site in order to provide for the protection of the public health and safety using the remaining assets in the Reclamation Trust to fund monitoring and maintenance until further order of the NRC.
- B. Upon completion of the NRC inspection to determine that the site has been remediated in conformance with the requirements in 10 C.F.R. Part 40 and the conditions set forth in the license to the extent practicable given the funding available to the Trustee, title to the real property and the remaining byproduct material at the Moab Mill Site will be transferred in accordance with section 83 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations, and this license shall be modified or terminated accordingly.
- C. Notwithstanding any of the foregoing requirements, the NRC shall not require the Trustee to perform or pay for any reclamation, remediation, monitoring, or surveillance, the cost of which would exceed the amount of money available to the Trustee from the Trust assets and receivables. The Trustee's responsibilities, liabilities and authority under this license shall terminate upon further order of the NRC.
- D. The requirements identified in this Order may only be modified in writing by the Director, Office of Nuclear Material Safety and Safeguards.

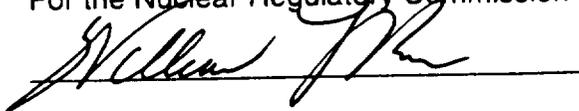
VI.

Any person adversely affected by this Order, other than Atlas or the Trustee, may request a hearing within 20 days of its issuance. Any request for a hearing shall be submitted to

the Regional Administrator, NRC Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, TX 76011-8064 and to the Trustee, PricewaterhouseCoopers LLP, Attention: Mr. Keith E. Eastin, Director, 1201 Louisiana, Suite 2900, Houston, TX 77002-5678. If a hearing is requested, the requester shall set forth with particularity the manner in which his or her interest is adversely affected by this Order and shall address the criteria set forth in 10 C.F.R. 2.1306 and 2.1308.

If a hearing is requested by a person whose interest is adversely affected by this Order, the Commission will consider the hearing request pursuant to 10 C.F.R. Part 2, Subpart M, and will issue an Order designating the time and place of any hearing. If a hearing is held, the procedures of Subpart M will be applied as provided by the Order designating the time and place of the hearing. The issue to be considered at such hearing shall be whether this Order transferring the license should be sustained. Any request for a hearing shall not stay the effectiveness of this Order.

For the Nuclear Regulatory Commission

A handwritten signature in black ink, appearing to read "William F. Kane", is written over a horizontal line.

William F. Kane
Director, Office of Nuclear Material Safety
and Safeguards

Dated at Rockville, Maryland,
this 21st day of Dec. 1999

ENCLOSURE 2

MATERIALS LICENSE

Whereas the Atomic Energy Act of 1954, as amended, and the regulations promulgated thereunder, and the Atomic Energy Act of 1968, and the regulations promulgated thereunder, require the issuance of licenses and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below, to use such material for the purposes and at the places designated below, to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

<p>1. Licensee Moab Mill Reclamation Trust [Applicable Amendment: 32]</p>	<p>3. License Number SUA-917, Amendment No. 32</p>
<p>2. c/o PricewaterCoopers LLP 1201 Louisiana, Suite 2900 Houston, Texas 77002 [Applicable Amendment: 32]</p>	<p>4. Expiration Date Until terminated</p> <p>5. Docket or Reference No. 40-3453</p>

6. Byproduct, Source, and/or Special Nuclear Material	7. Chemical and/or Physical Form	8. Maximum Amount that Licensee May Possess at Any One Time Under This License
Natural Uranium	Any	Unlimited

- 9. Authorized place of use: The licensee's uranium milling facility located at Moab, Utah.
- 10. The licensee is hereby authorized to possess byproduct material in the form of uranium waste tailings and other uranium byproduct waste generated by the licensee's milling operations authorized by this license.
- 11. For use in accordance with statements, representations, and conditions contained in Sections 4.2.4, 5, and 7 (except 5.5.10 and 5.5.11), Appendices 5.3, 5.5.6, and 6.0 of Atlas Corp's the licensee's renewal application dated May 31, 1984, and submittals dated December 17, 1984, January 18, and June 5, 1985, and September 16, 1992. The mill site organizational structure shall be maintained as presented by submittal dated May 13, 1991, as revised by letter dated March 5, 1993.

Whenever the word "will" is used in the above referenced sections, it shall denote a requirement.

[Applicable Amendments: 12, 15, 18, 20, 32]

- 12. DELETED by Amendment No. 18.
- 13. DELETED by Amendment No. 18.
- 14. The licensee is hereby exempted from the requirements of Section 20.1902(e) of 10 CFR 20 for areas within the mill, provided that all entrances to the mill are conspicuously posted in accordance with Section 20.1902 and with the words, "Any area within this mill may contain

License Number SUA-917, Amendment No. 32

License Reference Number 40-3453

**MATERIALS LICENSE
SUPPLEMENTARY SHEET**

radioactive material. "

15. The results of sampling, analyses, surveys and monitoring; the results of calibration of equipment; reports on audits and inspections; all meetings and training courses required by this license; and any subsequent reviews, investigations, and corrective actions, shall be documented. Unless otherwise specified in NRC regulations, all such documentation shall be maintained for a period of at least 5 years.

16. DELETED by Amendment No. 18.

17. The licensee shall implement a compliance monitoring program containing the following:

A. Sample wells AMM-1, AMM-2 and AMM-3 on a quarterly frequency for chloride, nitrate, sodium, sulfate, pH, TDS and water level, and on a semiannual frequency for chromium, gross alpha, lead, molybdenum, nickel, radium-226 and 228, selenium, silver, uranium and vanadium. Additionally, the upper completion of well ATP-2 shall be sampled on a quarterly frequency for chloride, nitrate, sodium, sulfate, pH, TDS and water level.

B. Comply with the following ground-water protection standards at point of compliance wells AMM-2 and AMM-3, with background being recognized as well AMM-1.

chromium = 0.08 mg/l, gross alpha = 33 pCi/l, molybdenum = 0.05 mg/l, nickel = 0.06 mg/l, radium-226 and 228 = 5 pCi/l, selenium = 0.01 mg/l, vanadium = 0.04 mg/l and uranium = 4.0 pCi/l.

C. Implement a corrective action program that includes pumping dewatering wells PW1, PW4, PW6, PW7, PW8, PW9, and PW12 during periods of nonfreezing weather. Sufficient data shall be collected, for the constituents listed in Subsection A, to determine the mass of constituents that have been recovered by the corrective action program.

The licensee shall on a semiannual frequency, submit a ground-water monitoring report as well as submit a corrective action program review by December 31, of each year, that describes the progress towards attaining ground-water protection standards.

[Applicable Amendments: 3, 4, 8, 11, 13, 19]

18. Released equipment or packages from the restricted area shall be in accordance with the document entitled, "Guidelines for Decontamination of Facilities and Equipment Prior to Release for Unrestricted Use or Termination of License for Byproduct or Source Materials" dated September, 1984. [Applicable Amendment: 18]

19. DELETED by Amendment No. 18.

20. The licensee shall conduct and document at least five inspections of the tailings embankment per week (one per day, 5 days per week) and shall immediately notify the NRC, by telephone and telegraph, of any failure to the tailings dam which could result in a release of radioactive materials and/or of any unusual conditions which if not corrected could lead to such failure. This

SUA-917, Amendment No. 32

MATERIALS LICENSE
SUPPLEMENTARY SHEETDocument Reference Number
40-3453

requirement is in addition to the reporting requirements of 10 CFR 20.

[Applicable Amendment: 18]

21. A. The licensee shall decommission the Moab Mill facilities in accordance with policy and procedures described in Atlas Corp's submittals dated November 27, 1987, and March 29, and May 13, 1988.
- B. The licensee shall submit soil sampling criteria, including radium-226/gamma correlations at least 60 days prior to conducting soil sampling as a part of the mill decommissioning process.
- C. The licensee shall submit decontamination and decommissioning reports within 60 days of completion of the decontamination and decommissioning activities.
- D. The reports required by this condition shall include, as a minimum, the following information:
- (1) Employee exposure records including internal exposure time weighted calculations.
 - (2) Bioassay results.
 - (3) Inspection log entries and inspections.
 - (4) Training program activities, including safety meetings.
 - (5) Radiological survey and sampling data.
 - (6) Cross section drawings of all disposal areas and the proposed interim cover.

[Applicable Amendments: 3, 15, 32]

22. Occupational exposure calculations shall be performed and documented within 1 week of the end of each regulatory compliance period as specified in 10 CFR 20.103(a)(2) and 10 CFR 20.103(b)(2). Routine samples taken in airborne ore dust and yellowcake areas shall be analyzed in a timely manner to allow exposure calculations to be performed in accordance with this condition.

Non-routine samples taken in ore dust and yellowcake areas shall be analyzed and the results reviewed by the Radiation Control Coordinator (RCC) within 2 working days after sample collection.

23. Standard written procedures shall be established and maintained for all activities involving radioactive materials that are handled, processed or stored. Written procedures shall be established for nonoperational (nonprocessing) activities to include in-plant and environmental monitoring, bioassay analyses, and instrument calibrations. Up-to-date copies of all written procedures shall be kept in the applicable work stations to which they apply.

SUA-917, Amendment No 32

**MATERIALS LICENSE
SUPPLEMENTARY SHEET**

Document Reference Number 40-3453

All written procedures, shall be reviewed and approved in writing by the RCC before implementation and whenever a change in procedure is proposed to ensure that proper radiation protection principles are being applied. The RCC shall perform a documented review of all existing procedures at least annually.

[Applicable Amendment: 18]

24. The personnel contamination surveys conducted, in accordance with Section 5.5.5.2 of Atlas Corp's application, shall be documented and maintained. In addition, the licensee (RCC or qualified alternate) shall perform spot personnel surveys for alpha contamination at least quarterly on employees leaving the restricted area.

[Applicable Amendment: 32]

25. The licensee shall use a Radiation Work Permit (RWP) for all nonroutine work not covered by an existing procedure where the potential for significant exposure to radioactive materials exists. The RWP shall be approved by the RCC or an alternate, qualified by way of specialized radiation protection training, and shall at least describe the following:
- A. The scope of work to be performed and the potential radiological hazards.
 - B. Any precautions necessary to minimize worker exposure to radioactive materials.
 - C. The radiological monitoring and sampling necessary prior to, during, and following completion of the work in order to assess any potential exposures.
26. Notwithstanding the representations in Appendix 5.3 to Atlas Corp's renewal application, the licensee shall develop and implement procedures to ensure that visitors and contractors receive instruction and training in accordance with Section 19.12 of 10 CFR 19, prior to entering any restricted area.

[Applicable Amendment: 32]

27. The existing on-site catchment basin west of the S-X units shall be maintained in a condition and with enough remaining available capacity to assure the collection of any spillage of chemicals from hazardous chemical storage tanks within the graded area. Any storage tanks containing hazardous chemicals which are not located within the graded area shall be surrounded by individual containment dikes capable of containing all leakage.
28. Notwithstanding the representations in Section 5.5.5 of Atlas Corp's application, the licensee shall conduct weekly alpha contamination surveys of lunch rooms and monthly surveys of change rooms, shower facilities and offices when they are in use.

[Applicable Amendment: 18, 32]

**MATERIALS LICENSE
SUPPLEMENTARY SHEET**Docket or Reference Number **40-3453**

29. A copy of the report documenting the annual ALARA audit in accordance with Section 5.1.4 of Atlas Corp's the renewal application dated May 31, 1984, shall be submitted to the NRC, for review within 30 days of completion of the audit report.
- [Applicable Amendment: 32]
30. In addition to the tailings embankment surveillance and inspection program specified in Section 4.2.4 of Atlas Corp's renewal application dated May 31, 1984, the licensee shall comply with the following:
- A. Notwithstanding any statements to the contrary, the professional responsible for the annual technical evaluation report shall ensure that all field inspectors are trained to recognize and assess signs of possible distress or abnormality.
 - B. All routine inspection reports shall be dated and maintained on file at the mill site for use in developing the annual report.
 - C. The results of ground-water sampling and piezometer and pond level measurements shall be maintained in graphical form and on file at the mill site for use in developing the annual report. The licensee shall adhere to commitments made in Atlas Corp's their July 8, 1991, submittal modifying the number of piezometers monitored.
 - D. The annual technical evaluation report shall include an assessment of the hydraulic and hydrologic capacities, water quality and structural stability of the tailings impoundment.
 - E. A copy of each annual technical evaluation report shall be submitted to the NRC, within one (1) month of its completion.
- [Applicable Amendment: 15, 32]
31. In addition to the requirements in Section 5.2 of Atlas Corp's renewal application, the Radiation Control Coordinator (RCC) shall have the minimum education, training, and experience as detailed in Section 2.4.1 of Regulatory Guide 8.31 dated May 1983. [Applicable Amendment: 18, 32]
32. Radiation survey instruments shall be calibrated at least semiannually or at the manufacturer's suggested interval, and after each repair, whichever is sooner. All radiation survey instruments shall be checked for proper operation using a radiation check source prior to each day's use. Portable air sampling equipment shall be calibrated after repair and at least quarterly or at the manufacturer's suggested interval, whichever is sooner. Flow rates on portable samplers shall be checked and documented prior to each day's use. Fixed continuous air samplers shall be calibrated after repair and at least quarterly or at the manufacturer's suggested interval, whichever is sooner. Flow rates on fixed continuous air samplers shall be checked each time the sampling head is changed.
33. The licensee shall implement an interim tailings stabilization program as specified in Atlas Corp's March 16, 1987 submittal. In addition, this program shall include written procedures which are of sufficient detail to describe inspection methodologies, management notifications and

SUA-917, Amendment No. 32

**MATERIALS LICENSE
SUPPLEMENTARY SHEET**

License Reference Number: 40-3453

implementation of corrective actions to assure compliance to Criterion 8 of 10 CFR 40, Appendix A. As a minimum, the licensee shall perform at least weekly, a documented inspection to assure the effectiveness of the control methods used. Corrective actions taken shall be documented in response to inspection findings. Corrective actions shall be completed within 30 days unless a longer period is approved in writing by the NRC.

[Applicable License: 32]

34. The licensee is authorized to dispose of byproduct material contaminated solid wastes generated at the Moab Mill in the sump collection pond as described in the Atlas Corp's submittal dated February 29, 1984.

[Applicable Amendment: 32]

35. Notwithstanding representations made in Section 4.3 of Atlas Corp's renewal application, the licensee shall not dispose of materials other than uranium mill tailings, spent resins, raffinate, vanadium waste residues, liquids or residues contained in the catchment basin described in Condition No. 27, or liquid sanitary wastes in the tailings pond, without the specific authorization of NRC. If liquid sanitary wastes are discharged to the tailings pond, written authorization shall first be obtained from the Utah Bureau of Water Pollution Control. A copy of the written authorization shall be submitted to NRC prior to the discharge of the liquid sanitary waste.

The licensee shall be permitted to discharge as necessary any liquids or solids to the tailings impoundment from the catchment basin as described in License Condition No. 27 that are generated during the decommissioning phase of the mill.

[Applicable Amendment: 18, 32]

36. DELETED by Amendment No. 18.
37. Reclamation phase modifications to Moab Wash shall be as specified in the "Pilot Channel" option of Atlas Corp's submittal dated October 13, 1983 with the following modifications:
- A. The pilot channel bottom shall be sloped at a 1% grade away from the tailings pile (i.e., to the north).
 - B. Excavation material shall be used to backfill the entire length of the existing Moab Wash channel, with the fill sloped away from the tailings pile. Any remaining excavation material shall be used to construct a berm on the south side of the pilot channel to increase channel capacity.

In addition, operational phase modifications to Moab Wash shall be maintained in accordance with Atlas Corp's submittal dated October 26, 1982.

[Applicable Amendment: 32]

38. Mill tailings other than samples for research shall not be transferred from the site without specific

SUA-917, Amendment No 32

MATERIALS LICENSE
SUPPLEMENTARY SHEETDivision Reference Number
40-3453

prior approval of the NRC. The licensee shall maintain a permanent record of all transfers made under the provisions of this condition.

39. The licensee shall, in accordance with Atlas Corp's submittals dated February 25 and June 29, 1987, develop methods and procedures prior to reclamation, to ensure that:
- A. The entire area of contaminated soil southeast of the tailings impoundment, consisting of approximately 6.6 acres with an estimated volume of 25,000 cubic yards, is placed in the tailings pond and otherwise ensure that the entire area is decontaminated consistent with 10 CFR Part 40, Appendix A, Criterion 6.
 - B. The entire area west of State Highway No. 279 identified as exceeding Ra-226 levels provided in 10 CFR Part 40, Appendix A, Criterion 6, shall be removed and placed in the tailings pond prior to final reclamation. By our letter dated February 25, 1987, background for the area west of State Highway No. 279 is 5.5 pCi/gm Ra-226.
 - C. Records of all surveys and soil analyses of the section southeast of the tailings impoundment and west of State Highway No. 279 shall be maintained until the NRC authorizes their disposal.

[Applicable Amendment: 32]

40. DELETED by Amendment No. 18.

41. The licensee shall reclaim the tailings disposal area in accordance with Atlas Corp's October 1996 submittal entitled "Final Reclamation Plan, Atlas Corporation Uranium Mill and Tailings Disposal Area" and revisions thereof, with the following modifications:
- A. The licensee shall commence dewatering the tailings in conformance with the U. S Fish and Wildlife Service final biological opinion (FBO) of July 1998, Terms and Conditions 1.a. The licensee shall provide a design for the dewatering by December 31, 1999. The design should be such that dewatering can be completed by July 1, 2002.
 - B. The licensee shall provide, by May 1, 2000, a revision to the corrective action program identified in license condition 17.C. that will meet ground-water standards within 7 years from the date of approval by NRC.
 - C. Before commencing construction of the final radon barrier, the licensee shall provide analyses, appropriately supported by necessary data, showing that the ammonia standards identified in item 2. of the reasonable and prudent alternative of the FBO will be met over the design life of the reclamation.
 - D. Before commencing the reconfiguration of Moab Wash, the licensee shall provide a design that NRC, after consultation with FWS, finds acceptable to compensate for the loss of 0.5 acre of critical habitat, in conformance with item 5. of Terms and Conditions of the FBO.
 - E. Comply with item 6. of Terms and Conditions in the FBO by:

MATERIALS LICENSE
SUPPLEMENTARY SHEET

40-3453

- (1) Monitoring for southwestern willow flycatcher
- (2) Implement construction activities in such a way as to minimize loss of southwestern willow flycatcher habitat and revegetate disturbed area with willow plantings.

F. Before commencing construction activities, the licensee shall obtain NRC approval of a plan to implement the following mitigative measures identified in the FEIS:

- (1) Minimization of emissions of fugitive dust during reclamation (Section 4.1.7).
- (2) Spill prevention and control and erosion control applicable to the Atlas site and borrow areas (Section 4.5.2.6).
- (3) Interception and storage of sediment-and contaminant-laden runoff through use of adequate drainage control, retention, and treatment ponds, silt fences, and other means as necessary (Section 4.5.2.6).
- (4) Avoidance of major earth-moving operations (such as the relocation of Moab Wash) during periods of high thunderstorm potential where and when feasible (Section 4.5.2.6).
- (5) Avoidance of siting potential borrow areas immediately adjacent to streams (Section 4.5.2.6).
- (6) A survey by a qualified botanist to determine if Jones cycladenia is present in the vicinity of the proposed Kane Creek quarry site before any activities are initiated at the site. If the species is present, the licensee would be required to develop appropriate mitigative measures in consultation with the FWS to ensure that populations are protected from disturbance (Section 4.6.4.1).
- (7) Limitations on the use of the Potash quarry site to the December through February period to avoid impacting recreational use of the Potash boat ramp (Section 4.7.3.2).
- (8) Topographic and vegetative restoration of borrow areas as required by the State of Utah Division of Oil, Gas and Coal Mining (Section 4.5.2.6 and 4.7.4.3).

[Applicable Amendment: 18, 30, 32]

42. The licensee shall maintain an NRC-approved financial surety arrangement, consistent with 10 CFR 40, Appendix A, Criteria 9 and 10, adequate to cover the estimated costs, if accomplished by a third party, for decommissioning and decontamination of the mill and mill site, for reclamation of any tailings or waste disposal areas, ground-water restoration as warranted and the long-term surveillance fee. Within 3 months of NRC approval of a revised reclamation/decommissioning plan, the licensee shall submit, for NRC review and approval, a proposed revision to the financial surety arrangement if estimated costs in the newly approved plan exceed the amount covered in the existing financial surety. The revised surety shall then be in effect within 3 months of written

SUA-917, Amendment No. 32

40-3453

**MATERIALS LICENSE
SUPPLEMENTARY SHEET**

NRC approval.

Annual updates to the surety amount, required by 10 CFR 40, Appendix A, Criteria 9 and 10, shall be submitted to the NRC at least 3 months prior to the anniversary date which is designated as December 31 of each year. If the NRC has not approved a proposed revision to the surety coverage 30 days prior to the expiration date of the existing surety arrangement, the licensee shall extend the existing surety arrangement for 1 year. Along with each proposed revision or annual update, the licensee shall submit supporting documentation showing a breakdown of the costs and the basis for the cost estimates with adjustments for inflation, maintenance of a minimum 15 percent contingency fee, changes in engineering plans, activities performed, and any other conditions affecting estimated costs for site closure. The basis for the cost estimate is the NRC approved reclamation/decommissioning plan or NRC approved revisions to the plan. The previously provided guidance entitled, "Recommended Outline for Site Specific Reclamation and Stabilization Cost Estimates," outlines the minimum considerations used by the NRC in the review of site closure estimates. Reclamation/decommissioning plans and annual updates should follow this outline.

Atlas' currently approved surety instrument, Performance Bond No. 5652 issued by the Acstar Insurance Company of New Britain, Connecticut in favor of the NRC, shall be continuously maintained in an amount no less than \$6,500,000 for the purpose of complying with 10 CFR 40, Appendix A, Criteria 9 and 10, until a replacement is authorized by the NRC.

The Licensee shall maintain a Standby Trust (Trust) arrangement for the benefit of NRC. The currently established Trust is with Norwest Bank of Colorado N.A.

[Applicable Amendments: 5, 14, 16, 22, 24]

43. Prior to termination of this license, the licensee shall provide for transfer of title to byproduct material and land, including any interests therein (other than land owned by the United States or the State of Utah), which is used for the disposal of such byproduct material or is essential to ensure the long term stability of such disposal site to the United States or the State of Utah, at the State's option.
44. DELETED by Amendment No. 18.
45. Before engaging in any activity not previously assessed by the NRC, the licensee shall prepare and record an environmental evaluation of such activity. When the evaluation indicates that such activity may result in a significant adverse environmental impact that was not assessed, or that is greater than that assessed in the Final Environmental Impact Statement (NUREG-1531), the licensee shall provide a written evaluation of such activities and obtain prior approval of the NRC for the activity.

[Applicable Amendment: 32]

46. Prior to disturbing any presently undisturbed soils for mill related activities (including borrow areas for tailings reclamation cover) in the future, the licensee shall have an archeological survey conducted of the site(s) to be disturbed. The Utah State Department of Development Services and

**MATERIALS LICENSE
SUPPLEMENTARY SHEET**

Document Reference Number: 40-3453

the U.S. Department of the Interior shall be contacted by the licensee prior to the survey to provide assistance or comment in planning such a survey. The completed survey shall be submitted to the NRC for review and approval to proceed prior to any disturbance of presently undisturbed areas.

47. The licensee shall conduct an annual survey of land use (grazing, residence, wells, etc.) in the area within two miles of the mill and submit a report of this survey annually to the NRC. This report shall indicate any differences in land use from that described in the licensee's previous annual land use report. The report shall be submitted by March 31 of each year.
48. The results of the effluent and environmental monitoring programs required by this license shall be reported in accordance with 10 CFR 40, Section 40.65 with copies of the report sent directly to the NRC. Data from the effluent and environmental monitoring program shall be reported in accordance with the format in the previously provided guidance entitled, "Sample Format For Reporting Monitoring Data."
49. The licensee shall conduct an environmental and effluent monitoring program as specified in Atlas Corp's renewal application in accordance with Table 5.5-8 during normal operations and Table 5.5-9 during periods of extended shutdown with the following modifications:
 - A. Air particulate samples shall be analyzed for U-nat, Ra-226 and Th-230, quarterly.
 - B. The analysis of quality control samples shall be in accordance with Section 3 of Regulatory Guide 4.15.
 - C. Lower limits of detection utilized for sample analysis shall be in accordance with Section 5 of Regulatory Guide 4.14.
 - D. Soil and vegetation sampling shall be analyzed annually for Ra-226 and Pb-210.
 - E. Notwithstanding the ground-water monitoring specified in Tables 5.5-8 and 5.5-9, the licensee shall monitor the ground water as described in License Condition No. 17.
 - F. DELETED by Amendment No. 23.

[Applicable Amendments: 1, 3, 4, 11, 23, 32]

50. The licensee shall conduct a bioassay program in accordance with Section 5.5.4 of Atlas Corp's renewal application with the following additions:
 - A. Laboratory surfaces used for in-house bioassay analyses shall be decontaminated to less than 25 dpm alpha-(removable)/100 cm² prior to analysis of samples.
 - B. Anytime an action level of 15 µg/l uranium for urinalysis is reached or exceeded, the licensee shall document the corrective actions which have been performed in accordance with Revision 1 of Regulatory Guide 8.22, dated January 1987. This documentation shall be submitted to the NRC as part of the semiannual report required by 10 CFR 40.65 and

SUA-917, Amendment No. 32

MATERIALS LICENSE
SUPPLEMENTARY SHEETLicensee Reference Number
40-3453

Condition No. 48 to this license.

- C. Anytime an action level of 35 $\mu\text{g/l}$ for two consecutive specimens or 130 $\mu\text{g/l}$ uranium for one specimen for urinalysis is reached or exceeded, the licensee shall document the corrective actions which have been performed in accordance with Revision 1 of Regulatory Guide 8.22. This documentation shall be submitted to the NRC, within thirty (30) days of exceeding the action level.

[Applicable Amendment: 32]

51. DELETED by Amendment No. 6.

52. A. Construction of a roadway toward the center of the tailings impoundment for use by mobile equipment in the application and inspection of binding agents for dust control and to provide access during initial reclamation activities, shall be in accordance with Atlas Corp's submittals dated July 14 and August 19, 1988.
- B. Any proposed changes to the roadway or its uses, as described in Atlas Corp's July 14 and August 19, 1988 submittals, shall require prior approval of the NRC, in the form of a license amendment.

[Applicable Amendments: 2, 32]

53. The licensee shall conduct fence line inspections on a monthly basis in accordance with Atlas Corp's submittal dated March 22, 1989.

[Applicable Amendments: 7, 18, 32]

54. The licensee shall implement the program for radon attenuation specified in the submittal dated July 19, 1989.

[Applicable Amendment: 10]

55. The licensee shall complete site reclamation in accordance with the approved reclamation plan. The ground-water corrective action plan shall be conducted as authorized by License Condition No. 17 in accordance with the following schedules.
- A. To ensure timely compliance with target completion dates established in the Memorandum of Understanding with the Environmental Protection Agency (56 FR 55432, October 25, 1991), the licensee shall complete reclamation to control radon emissions as expeditiously as practicable, considering technological feasibility, in accordance with the following schedule:
- (1) Windblown tailings retrieval and placement on the pile - December 31, 2000.
 - (2) Placement of the interim cover - Complete.

SUA-917, Amendment No. 32

MATERIALS LICENSE
SUPPLEMENTARY SHEET

40-3453

- (3) Placement of final radon barrier designed and constructed to limit radon emissions to an average flux of no more than 20 pCi/m²/s above background - December 31, 2000.
- B. Reclamation, to ensure required longevity of the covered tailings and ground-water protection, shall be completed as expeditiously as is reasonably achievable, in accordance with the following target dates for completion.
- (1) Placement of erosion protection as part of reclamation to comply with Criterion 6 of Appendix A of 10 CFR Part 40 - December 31, 1999.
- (2) Projected completion of ground-water corrective actions to meet performance objectives specified in the ground-water corrective action plan - July 31, 2006.
- C. Any license amendment request to revise the completion dates specified in Section A must demonstrate that compliance was not technologically feasible (including inclement weather, litigation which compels delay to reclamation, or other factors beyond the control of the licensee).
- D. Any license amendment request to change the target dates in Section B above must address added risk to the public health and safety and the environment, with due consideration to the economic costs involved and other factors justifying the request such as delays caused by inclement weather, regulatory delays, litigation, and other factors beyond the control of the licensee.

[Applicable Amendments: 21, 25, 26, 27, 28, 29, 30]

56. Notification to NRC under 10 CFR 20.2202, 10 CFR 40.60, and specific license conditions should be made as follows:

Required written notice to NRC under this license should be given to: Chief, Uranium Recovery and Low Level Waste Branch, Division of Waste Management, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555.

Required telephone notification to NRC should be made to the Operations Center at (301) 816-5100.

[Applicable Amendment: 24, 30]

57. The licensee and Mid-Atlantic Pipeline Company are authorized to cleanup a corridor up to 150 feet wide and 1400 feet long prior to laying pipe in the pipeline right-of-way and install the new gas pipeline within the restricted area in conformance with submittals dated April 20, 1999 and May 14, 1999, with the following restrictions and modifications:
- A. The RCC shall oversee and/or direct work in accordance with licensee radiation control procedures to ensure ALARA and radiation safety to all individuals in the restricted area.
- B. All contaminated material will be consolidated in the old ore storage area as a low profile pile,



From: Joseph Holonich
To: Carl Paperiello, John Greeves, Myron Fliegel, N...
Date: Fri, Jan 14, 2000 8:38 PM
Subject: Re: MOAB IN THE NEWS

TR,

The meeting went extremely well. People had fundamental questions about the bankruptcy, the amount of money we got from Atlas, and what PWC would do about ground water, etc. Only once did the question about BOE come up. We told them we knew about it, and that it would take legislation to accomplish. We were also asked about what would happen to the money currently in the trust, and explained that Congress needed to address that as part of the legislative package. Overall, the meeting really was just a question and answer session with about 30-40 locals, who wanted to understand more. I felt people really appreciated the time, 3 hours, we spent with them to discuss where we were, and answer their questions. All NRC staff felt both our attendance at the en Libra and the NRC meetings was a success. The mayor of Moab even spoke in defense of our selecting PWC as the trustee. It felt like a win to us. We will be a hard act for the Secretary to follow!

Joe

>>> John Greeves 01/13 4:49 PM >>>
fyi

>>> Thomas Combs 01/13 11:39 AM >>>
Tonight's NRC public meeting should be interesting. Here's this morning's Salt Lake Tribune article:

Deal Expected for Cleanup of Atlas
Uranium Tailings

Thursday, January 13, 2000

BY JIM WOOLF AND
LISA CHURCH
(c) 2000, THE SALT LAKE
TRIBUNE

The Clinton administration on Friday will announce its support for moving the Atlas uranium mill tailings near Moab to a permanent disposal site and propose a land swap that would help pay for the cleanup and benefit the Northern Ute tribe, The Tribune has learned.

Energy Secretary Bill Richardson will make the announcements during brief visits to Moab and tribal headquarters at Fort Duchesne.

Richardson will say that the Clinton administration backs a proposal by Rep. Chris Cannon, R-Utah, to transfer regulatory control of the old Atlas uranium mill from the U.S. Nuclear Regulatory Commission (NRC) to the U.S. Department of Energy (DOE) and then move the 10.5 million tons of radioactive dirt out of the floodplain of the Colorado River just north of Moab.

This is a significant step because NRC lacks the legal authority to clean abandoned sites. The former

H/4

owner, Atlas Corp., is bankrupt and did not set aside money to do the work.

DOE has the legal authority to clean up old tailings piles and has done it many times. For example, the old Vitro uranium mill in South Salt Lake was cleaned up by DOE in the 1980s.

"We're happy," said Cannon spokesman Rusty Payne of DOE's willingness to take control of the site. "We're finally seeing the light at the end of the tunnel."

"It's a great thing," agreed Kimberly Schappert, chairwoman of the Grand County Council. "We don't know yet what the logistics will be, but we were lobbying in Washington last year to have the DOE take over the pile."

Richardson also will announce a land swap involving the 88,890-acre Naval Oil Shale Reserve No. 2 in Utah's Uintah County. This land, in a remote area about 50 miles south of Vernal, was acquired by the federal government in the early 1900s to protect petroleum deposits in case of a national emergency. The reserves no longer are considered important.

The plan is to transfer about 80,000 acres east of the Green River to the Northern Ute tribe with the stipulation that a certain percentage of any revenue generated by oil and gas development on this land be returned to DOE for cleanup of the Atlas site. The exact amount that would be returned to DOE still is being negotiated.

Revenue from this land is not expected to be enough to cover the entire cleanup cost for the Atlas site, so Congress still would have to find other sources of money to finish the job. In 1997, the conservation organization Grand Canyon Trust estimated the cost at \$210 million.

The proposed deal also calls for the remaining 8,000 to 9,000 acres of the oil shale reserve located west of the Green River to be transferred to the U.S. Bureau of Land Management (BLM).

Tribal leaders have agreed to a number of other concessions in return for obtaining the new land. These include the following: granting BLM a quarter-mile easement on the eastern edge of the newly acquired land to protect the Green River corridor; working with BLM to develop a "preservation corridor" along the remaining 80 miles of Green River that border the reservation; and accepting the new lands as standard private property that would pay taxes to local governments rather than tax-exempt reservation lands.

A tribal spokesman declined to comment on the proposed deal until more of the details are resolved.

One obstacle to the proposed land swap is that environmental advocates have proposed a wilderness area on part of the land that DOE is proposing to turn over to the tribe. This is the 21,000-acre Tabyago area.

"We're taking a close look at the proposed trade," said Heidi McIntosh, conservation director for the Southern Utah Wilderness Alliance. "We're pleased DOE wants to move the Atlas pile and we want to continue discussions to see if we can't find a way to maximize the Ute's development opportunities and protect wilderness at the same time."

Bill Hedden, director of the Moab office of the Grand Canyon Trust and a long-time advocate of moving the Atlas tailings, said he was "concerned" about the deal's potential impacts on these wild lands.

CC: Daniel Gillen, Joseph Gray, Maria Schwartz, Mar...