

UNITED NUCLEAR CORPORATION

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U.S. Nuclear Regulatory Commission
Mr. Joseph J. Hollonich, Chief
Uranium Recovery Branch MS-T-7J9
Division of Waste Management
Office of Nuclear Materials Safety and Safeguards
11545 Rockville Pike
Rockville, MD 20853

November 14, 1997

Re: **Site Reclamation Expenditures**
Quarterly Analysis - third quarter, 1997

License Amendment Request
Condition 35.B.(2)

*Copies to Marshall
Gillen
Note request for license
amendment*

Dear Mr. Hollonich:

With this letter United Nuclear submits its quarterly analysis of reclamation costs as required in license condition No. 25 of our License SUA-1475 for the Church Rock site. This analysis is for the third quarter of 1997.

Also, United Nuclear requests certain changes to the license, as discussed in more detail later herein, to reflect the fact that it has been unable to meet certain compliance dates with regard to the ground water corrective action plan because of extensive delays in review and response by EPA and NRC to proposed changes in certain ground water cleanup standards. ←

THIRD QUARTER 1997 COSTS

The costs incurred for tailings reclamation in the third quarter of 1997 totalled \$64,656. Consistent with the Annual Surety Estimate submitted in March, 1997 all costs incurred in 1997 have been in the area of seepage cleanup actions. These costs reflect the continued operation of the seepage cleanup program.

The costs incurred in the first and second quarters of 1997 for seepage cleanup activities were as follows; NLP

<u>Seepage Collection</u>	
electrical power	\$ 3898
equipment & supplies	\$ 2544
personnel	\$ 28005
<u>Monitoring</u>	
sample analysis	\$ 13627

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supplies	\$ 190
shipping	\$ 88
<u>Performance Review</u>	\$ 16304
Total	\$ 64656

The costs incurred to-date are consistent with the anticipated costs projected for continued operation of the seepage collection program as contained in our annual surety estimate assessment submitted to NRC on March 31, 1997.

License Amendment Request

License condition No. 35.B.(2) currently requires completion of ground water corrective actions by December 31, 1997. As you are no doubt aware, United Nuclear will be unable to meet this deadline because of the delays we have encountered in resolving the background water quality issue between EPA, NRC, the State of New Mexico, and the Navajo Tribe. Because there is no clear direction forthcoming from any of the agencies involved as to how or when the issue will be resolved, we recommend that this license condition be modified to delete the December 31, 1997 date. United Nuclear recommends no new date be substituted because one cannot be identified. The ground water remedial actions will be complete when the agencies agree that they are. Until United Nuclear receives approvals otherwise, we will continue to operate the system in its current form.

In accordance with license condition No. 35.D., United Nuclear submits that the proposed change to license condition No. 35.B.(2) will not add any risks to public health and safety or the environment inasmuch as we continue to operate the collection system in the manner prescribed by the agencies. Continued operation costs are approximately \$335,000 annually. These costs are expected to increase as the maintenance of an increasingly inefficient system becomes more difficult.

We look forward to discussions with NRC and EPA in the near future regarding the shutdown of the Corrective Action Plan program and eventual termination of the license.

Finally, we like to inform you that the aquisition of UNC Incorporated by GE was completed on September 17, 1997. However, as we previously informed your office, the management of United Nuclear Corporation, the licensee, remains the same.

Sincerely,


Juan R. Velasquez

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cc: Ed Morales
NRC Region IV
Ken Hooks - NRC Project Manager
Greg Lyssy - EPA

OATH & AFFIRMATION

I, Juan R. Velasquez, do solemnly swear and affirm that to the best of my knowledge, the information enclosed herewith is true and correct, under the pain of penalties and perjury.

By: Juan R. Velasquez
President & Manager of Environmental Affairs
United Nuclear Corporation

This 14th day of NOVEMBER, 1997, appeared before me, the undersigned, a notary public of the county of Bernalillo, and state of New Mexico, Juan R. Velasquez, and did solemnly swear and affirm that the enclosed information is true and correct to the best of his knowledge.

Witness my hand and official seal.



Notary Public

My Commission Expires:

MAY 13 1999