

May 31, 2002

Mr. William C. Salisbury  
American Nuclear Corporation  
P.O. Box 2713  
Casper, Wyoming 82602

SUBJECT: NRC INSPECTION REPORT 40-4492/2002-201

Dear Mr. Salisbury:

On May 1, 2002, the U.S. Nuclear Regulatory Commission (NRC) completed a construction inspection at the site of your former Gas Hills uranium milling facility accompanied by Mr. Mark Moxley of Wyoming Department of Environmental Quality, Land Quality Division. The enclosed report presents the results of that inspection.

The inspection was an examination of activities conducted under the license SUA-667, as they relate to site reclamation related activities being conducted under your license.

The inspection disclosed that no reclamation activities have been in progress since the last inspection. No items of non-compliance or significant issues were identified.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/ADAMS.html> (the Public Electronic Reading Room).

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

**/RA/**

Gary S. Janosko, Chief  
Uranium Processing Section  
Fuel Cycle Facilities Branch  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

Docket No.: 40-4492  
License No.: SUA-667

Enclosure: NRC Inspection Report 40-4492/2002-201

cc w/enclosure:

Mr. Ray Burbaker, State Director  
Bureau of Land Management  
P.O. Box 1828  
Cheyenne, Wyoming 82003

Mr. David Finley  
Wyoming Department of Environmental Quality  
Solid and Hazardous Waste Division  
122 West 25th Street  
Cheyenne, Wyoming 82002

Mr. Mark Moxley  
District II Supervisor  
Wyoming Department of Environmental Quality  
Land Quality Division  
250 Lincoln Street  
Lander, Wyoming 82520-2848

Mr. Jerome Gonzalez  
U. S. Department of Energy  
Grand Junction Project Office  
P. O. Box 2567  
2597 B  $\frac{3}{4}$  Road  
Grand Junction, Colorado 81503

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Docket No.: 40-4492  
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| JHLusher          |  | JMuszkiewicz*     |  | GSJanosko         |  |
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\*See previous concurrence

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U. S. NUCLEAR REGULATORY COMMISSION  
OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS  
INSPECTION REPORT

Docket No.: 40-4492

License No.: SUA-667

Report No.: 40-4492/2002-201

Licensee: American Nuclear Corporation

Facility: Former Gas Hills Project

Location: Gas Hills area, Fremont County, Wyoming

Inspection Date: May 1, 2002

Inspectors: John H. Lusher, Health Physicist  
Uranium Processing Section  
Fuel Cycle Facilities Branch  
Division of Fuel Cycle Safety  
and Safeguards

Accompanied By: Terry Johnson, Surface Hydrologist  
Uranium Processing Section  
Fuel Cycle Facilities Branch  
Division of Fuel Cycle Safety  
and Safeguards

Art Kleinrath, Project Manager  
DOE, Grand Junction Office

Mark Plessinger, Project Manager  
MACTER-ERS, DOE contractor

Approved By: Gary S. Janosko, Chief  
Uranium Processing Section  
Fuel Cycle Facilities Branch  
Division of Fuel Cycle Safety  
and Safeguards

Enclosure: Supplemental Inspection Information

Enclosure

## **EXECUTIVE SUMMARY**

### American Nuclear Corporation's Gas Hills Project NRC Inspection Report 40-4492/2002-201

This inspection included a review of site status and remediation.

#### **Site Status and Decommissioning for Uranium Mill Sites**

- Site activities and decommissioning programs were being conducted in accordance with the remediation plan, the license, and applicable regulations for uranium mill sites (Section 1).

#### **On Site Construction**

- Site fences were in good condition. Site security and perimeter postings were appropriate (Section 2).
- Due to the snow storm, no determinations regarding the adequacy of construction were made (Section 2).

## Report Details

### **1 Site Status and Decommissioning Inspection Procedure for Uranium Mill Sites (87654)**

#### **1.1 Inspection Scope**

The site status and decommissioning program were reviewed to determine if licensee activities were being conducted in accordance with the American Nuclear Corporation (ANC) Reclamation Plan, the license, and applicable NRC regulations for uranium mill sites.

#### **1.2 Observations and Findings**

##### **a. Site Status**

Reclamation oversight of the facility had been transferred to the State of Wyoming, Department of Environmental Quality (WDEQ). This transfer occurred because ANC had become insolvent in May 1994 and site reclamation was incomplete. A Confirmatory Order between the NRC and the WDEQ describing the requirements for reclamation activities had been agreed upon by both parties and was issued in October 1996.

The licensed site encompasses approximately 550 acres of land of which approximately 80 acres consist of Tailings Pile 2 and 40 acres of Tailings Pile 1. Tailings Pile 2 reclamation activities are complete and Tailings Pond 1 activities are on hold. Additionally, the site has an active groundwater recovery and corrective action program.

Reclamation activities are targeted to restart in 2002. Since the last inspection in July 2001, no site reclamation activities have been performed. After approval of the reclamation plan for Tailings Pile 1, activities will include the following: (1) windblown clean-up activities, (2) capping with clay (3) radon testing, and (4) placement of rip-rap rock.

#### **1.3 Conclusion**

The inspector determined that the site was being maintained in accordance with the ANC Reclamation Plan, the license, and applicable NRC regulations for uranium mill sites.

## **2 On-site Construction (88001)**

### **2.1 Inspection Scope**

The NRC intended to conduct a construction review to determine whether damage or deterioration to the tailings impoundment construction or erosion controls needed repair.

A driving tour was conducted to verify that site activities were being conducted in accordance with applicable regulations and the conditions of the license to ensure that controls were adequate to protect the health and safety of workers and the public. Due to a severe snow storm, the inspectors were unable to observe site conditions of the two tailings ponds areas, and the decommissioned heap-leach area. Construction records were not reviewed, nor were construction inspection operations conducted.

### **2.2 Observations and Findings**

Site fences were in good shape and the postings were appropriate. No problem areas were identified, and no health or safety hazard was identified during the site tour.

### **2.3 Conclusions:**

Due to the severe snow storm, no determinations regarding the adequacy of construction were made.

## **3 Exit Meeting Summary**

The inspectors presented the inspection results to the State representative at the conclusion of the inspection on May 1, 2002. The State representative acknowledged the findings as presented.

## **PARTIAL LIST OF PERSONS CONTACTED**

### Licensee

M. Moxley, Land Quality Division, District II Supervisor, WDEQ

## **INSPECTION PROCEDURES USED**

|    |       |   |
|----|-------|---|
| IP | 87654 | Decommissioning Inspection Procedure for Uranium Mill Sites |
| IP | 88001 | On-site Construction  |

## **ITEMS OPENED, CLOSED, AND DISCUSSED**

### Opened

None

### Closed

None

### Discussed

None

## **LIST OF ACRONYMS**

|      |   |
|------|---|
| ANC  | American Nuclear Corporation                          |
| CFR  | Code of Federal Regulations                           |
| LC   | License Condition                                     |
| NRC  | Nuclear Regulatory Commission                         |
| RSO  | Radiation Safety Officer                              |
| WDEQ | State of Wyoming, Department of Environmental Quality |