

e-m from Al Coy 5-23-02

Docket No.
40-8903

HMCo Comments on Draft License Conditions		
License Condition	Topic	HMC Comment
12	Reference to semi-annual Environmental Report (2 nd half of year)	This LC should be modified as appropriate to be consistent with amended LC 15, as discussed immediately below.
15	Annual filing requirement for Effluent and Environmental Monitoring Report	We support the license condition change. Current license language and 10 CFR 40.65 requirements require semi-annual reporting. Our current DP200 permit requires semi-annual reporting to NMED, however. This license condition may require amendment at a later date after review and approval of the Background Water Quality document presently under NRC review.
28	Surety-Related Provisions/ Requirements	Requirements outlined in the draft license condition amendments as suggested are acceptable. Language and Basis discussion as it pertains to State (of New Mexico) involvement in this process are not applicable to the HMCo license. It is presumed that paragraph 3 of LC 28 in the current license will be modified only as to the surety amount and that the parent company guarantee will be issued by 'Barrick Gold Corporation'.
32	Provisions relating to ALARA	<ul style="list-style-type: none"> Standard License Condition 9.7, we believe, should be incorporated into current LC 32 along with modification of the sub-paragraph provisions of the current LC. Would it be appropriate to delete current LC 32.B and rely provisions of Reg. Guide 8.22 as referenced in the new LC language? Standard License Conditions 11.2 and 11.3 (proposed as License Conditions 32.D and 32.E) should be incorporated into License Condition 32 of the amended license as well. Existing License Condition 32.C should be deleted, or modified, to be consistent with the provisions of the new proposed LC 42 concerning annual reporting related to filing of the annual ALARA audit report.
?	Provisions relating to signage around facility	Standard License Condition 9.8 is not directly recited in the current license. An exemption to the requirements of 10 CFR 20.1902(e) may be appropriate, however, the Grants facility currently has signage around the fenced perimeter of the site with signs that read "Caution, Radioactive Materials". We would like to discuss how Standard LC 9.8 can be incorporated into the amended license without a requirement to change or replace the current signage around the property. We believe replacement of the signs to be neither warranted or necessary to assure proper notification to personnel or other persons outside of the site perimeter boundary.
?	Matters related to protection of cultural resources	Acceptable as drafted. I have not researched the applicability of ARPA on private lands, as in the case for the Grants site, prior to the time of property transfer to DOE. In any event, the LC provision for the Grants facility is acceptable as written.
40	NRC contact information for noticing & reporting	Acceptable as drafted.

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41	Incident / Event reporting	Acceptable as written, with the exception that in Paragraph 3, last sentence of the LC should be revised to reference License Condition 40 rather than 9.2
42	Annual reporting	<ul style="list-style-type: none"> • We agree with the reduction of reporting frequency for the effluent and environmental monitoring report. See, however, comments made regarding DP 200 above in the comment section for LC15. • We are unsure of the scope and breadth of the land use survey requirement as an annual reporting task. We are not presently required to conduct an annual 'land use survey'. We have in the past reviewed the Milan water supply and related use by residents associated with that system, however, not on an annual basis. During sampling of private wells in the residential areas, we make notation of the use(s) of the well by the resident. <p>The general area surrounding the Grants facility has evidenced little change over the last 10-15 years and surrounding lands are not experiencing growth or any significant changes in land use. In addition, we are not developing or expanding the facility such that new conflicts or issues would arise to a significant degree. Ongoing reclamation and site closure activities should in fact reduce concerns relating to surrounding land use.</p> <p>It is believed that an annual land use survey would be overly onerous and of questionable benefit / cost value.</p>
Other	Revised TABLE 2 (8-99) as reference in LC 35.A.	<p>We would like to suggest an amendment to the current TABLE 2 (8-99) that was attached to the Technical Evaluation Report dated 8/14/00 as part of Amendment NO.33 to the license. The proposed amendment and rationale is as follows:</p> <ul style="list-style-type: none"> • Change: Under '<i>Reversal Wells</i>', delete Well KF and replace with Well DZ. • Rationale: Adjustment of reversal wells KZ and KF are needed due to the addition of injection in the area of well KZ and the lack of collection in this area. Well KZ defines the head due to this injection and needs to be paired with a well that defines the depression in the piezometric surface due to collection activity from wells in the vicinity of Well DZ. Therefore, reversal wells KF-KZ are proposed to be replaced by reversal wells KZ-DZ.

5-31-02 DISCUSSION OF PROPOSED LICENSE CONDITION CHANGES
HOMESTAKE, SUA-1471

On 5-17-02, after a phone conversation concerning potential license changes, I e-mailed you proposed License Condition (LC) changes and additions to accompany the changes to LC 28 needed for the surety amendment. Most of these proposed LC were based on the standard LC approved for uranium recovery licenses last year. Your comments were received 5-23-02 and are addressed below. These proposed LC are still subject to change (can we discuss June 4?). Major changes are in bold.

12. Periodic embankment inspections of the large and small tailings embankment shall be conducted by knowledgeable individuals who are familiar with the site and the **embankment design**. An annual **embankment** status report shall be included in the **Annual Report (see LC 42)**.
[Applicable Amendments: 2, 12, 14, 24, 34]
15. The results of all effluent and environmental monitoring required by this license shall be reported to the NRC. For purposes of reporting requirements, only groundwater radionuclide data from the point of compliance wells and background well P shall be reported. *Copies of the data for the State permit can be provided for this LC.*
[Applicable Amendments: 5, 31, 34]
28. The licensee shall maintain an NRC-approved financial surety arrangement consistent with 10 CFR 40, Criteria 9 and 10, adequate to cover the estimated costs, if accomplished by a third party, for decommissioning and decontamination of the mill site, reclamation of tailings or waste disposal areas, ground-water restoration, and the long-term surveillance fee. Within 3 months of NRC approval of a revised reclamation or decommissioning plan **and its cost estimate**, the licensee shall submit for NRC review and approval a proposed revision to the financial surety arrangement, if estimated costs for the newly approved plan exceed the amount covered in the existing financial surety. The revised surety arrangement shall then be in effect within **30 days** of written NRC **approval of the surety documents**.

Annual updates to the surety amount by 10 CFR Part 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 June 30 of each year. Along with each proposed revision or annual update, the licensee shall submit supporting documentation showing a breakdown of costs and the basis for the cost estimate **with adjustments for inflation, maintenance of a minimum 15 percent contingency, and reflecting any changes in engineering plans or any other conditions affecting estimated costs for site closure**. Appendix C of NUREG-1620, Rev.1, outlines the minimum considerations used by the NRC in the review of site closure cost estimates.

The licensee's currently approved surety, a Parent Company Guarantee issued by **Barrick Gold Corporation**, shall be continuously maintained in an amount no less than

\$35,200,000 for the purpose of complying with 10 CFR 40, Criteria 9 and 10, until a replacement is authorized by the NRC. The use of a parent company guarantee necessitates an evaluation of the corporate parent as part of the annual surety update. In addition to the cost information required above, the annual submittal must include updated documentation of the (1) letter from the chief financial officer of the parent company, (2) auditor's special report confirmation of chief financial officer's letter, (3) schedule reconciling amounts in chief financial officer's letter to amounts in financial statements, and (4) parent company guarantee if any changes are appropriate. [Applicable Amendments: 9, 12, 23, 24, 26, 34]

32. **The licensee shall follow the guidance set forth in U.S. Nuclear Regulatory Commission, Regulatory Guides 8.22, "Bioassay at Uranium Recovery Facilities," 8.30, "Health Physics Surveys in Uranium Recovery Facilities," and 8.31, "Information Relevant to Ensuring that Occupational Radiation Exposure at Uranium Recovery Facilities will be As Low As is Reasonably Achievable (ALARA)," or NRC-approved equivalent.**
- A. DELETED by Amendment 27.
- B. **Any time uranium in a worker's urine specimen exceeds 15 micrograms per liter (ug/l), the annual ALARA audit will indicate what corrective actions were considered or performed.**
- C. DELETED by Amendment 34.
35. The licensee shall implement a groundwater compliance monitoring program to assess the performance of the groundwater restoration program. This program is separate from the requirements in License Condition 15. The Licensee shall:
- A. Implement the groundwater monitoring shown in Table 2 (8-99) submitted September 29, 1999, **except that under "Reversal Wells," delete Well KF and replace with Well DZ, and except that well CW2 will remain in the sampling program monitored annually for G list of parameters and Cr is to be deleted from the D and F lists of parameters.**
40. **All written notices and reports to the NRC required under this license shall be addressed c/o Document Control Desk, Chief of Fuel Cycle Facilities Branch (Mailstop T8-A33), Division of Fuel Cycle Safety and Safeguards, Office of Nuclear Materials Safety and Safeguards, U. S. Nuclear Regulatory Commission, 11545 Rockville Pike, Two White Flint North, Rockville, MD 20852-2738.**

Required telephone notification shall be made to the NRC Operations Center at (301) 816-5100, unless otherwise specified in license conditions.

41. Spills, Leaks, Excursions, and Incident/Event Reporting

Until license termination, the licensee shall maintain documentation on unplanned release of source or 11e.(2) byproduct materials and process chemicals. Documented information shall include, but not be limited to: date, volume, total activity of each radionuclide released, radiological survey results, soil sample results (if taken), corrective actions, results of post remediation surveys (if taken), and a map showing the spill location and the impacted area.

The licensee shall have procedures which will evaluate the consequences of the spill or incident/event against 10 CFR 20, Subpart "M," and 10 CFR 40.60 reporting criteria. If the criteria are met, then report to the NRC Operations Center as required.

**If the licensee is required to report any spills, pond leaks, excursions of source, 11e.(2) byproduct material, and process chemicals that may have an impact on the environment, or any other incidents/events to State or Federal Agencies, a report shall be made to the NRC Region IV Nuclear Materials Licensing Branch Chief and NRC Headquarters Project Manager (PM) by telephone or electronic mail (e-mail) within 48 hours of the event. This notification shall be followed, within thirty (30) days of the notification, by submittal of a written report to NRC Region IV and NRC Headquarters, detailing the conditions leading to the spill or incident/event, corrective actions taken, and results achieved.
[Applicable Amendment: 34]**

- 42. An annual report will be submitted to the NRC that includes the ALARA audit report, land use survey, monitoring data, corrective action program report, and the effluent and environmental monitoring reports.
[Applicable Amendment: 34]**

- 43. Before engaging in any developmental activity not previously assessed by the NRC, the licensee shall administer a cultural resource inventory. All disturbances associated with the proposed development will be completed in compliance with the National Historic Preservation Act (as amended) and its implementing regulations (36 CFR 800), and the Archaeological Resources Protection Act (as amended) and its implementing regulations (43 CFR 7).**

**In order to ensure that no unapproved disturbance of cultural resources occurs, any work resulting in the discovery of previously unknown cultural artifacts shall cease. The artifacts shall be inventoried and evaluated in accordance with 36 CFR Part 800, and no disturbance of the area shall occur until the licensee has received authorization from the NRC to proceed.
[Applicable Amendment: 34]**

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Upon reconsideration, the staff decided that standard LC 9.8 and 11.3 are for operating facilities and would not apply to Homestake. Proposed LC 43 (standard LC 9.9) also may not be relevant since little ground would be disturbed in anticipated site activities.

The land use survey in proposed LC 42 (standard LC 12.2), is a report of major land use changes within about a 5-mile radius of the site. It would address items like oil or gas development, commercial buildings, farms, roads, or housing subdivisions. Such information would be part of the environmental report needed for the ACL application or any major amendment. It should not be a large expense to conduct such a survey.

AI - Your March monitoring report has 2001 ground water data. Can we set end of March as the delivery target for the Annual Report?

*e-mailed + discussed with Al Cox, RSO on
5-31-02.*

*E. Brummett
Project Manager*