July 24, 2002

Mr. Larry Bush
GE Engine Services
P.O. Box 3077
Gallup, NM 87305

SUBJECT: SOURCE MATERIALS LICENSE SUA-1475, DOCKET NO. 40-8907
MINUTES FROM THE EROSION CONTROL MEETING ON JUNE 13, 2002

Dear Mr. Bush:

The purpose of this letter is to transmit the enclosed minutes from the meeting between the U.S. Nuclear Regulatory Commission staff, a representative from the Department of Energy (DOE), and General Electric (United Nuclear Corp.) on June 13, 2002, regarding erosion control issues. This site meeting was arranged to discuss issues raised by the DOE in their June 7, 2002, letter from Art Kleinrath of DOE to Mel Leach of NRC.

Attached are the meeting minutes.

If you have any questions regarding this letter or the NRC staff review, please contact the NRC Project Manager, William von Till, at (301) 415-6251. In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter 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).

Sincerely,

/RA/

Daniel M. Gillen, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Enclosures: Minutes of the June 13, 2002 Meeting
DOE June 7, 2001 Letter

cc: Roy Blickwedel, GE
R. Chancellor, WDEQ
Art Kleinrath, DOE

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OFC	FCFB*		FCFB*		FCLB*		FCLB*
NAME	WvonTill		JMuszkiewicz		GJanosko		DGillen
DATE	7/23/2002		7/10/2002		7/24/2002		7/24/2002

***see previous concurrance OFFICIAL RECORD COPY**

MINUTES FROM THE MEETING BETWEEN THE U.S. NUCLEAR REGULATORY COMMISSION STAFF, THE DEPARTMENT OF ENERGY, AND GENERAL ELECTRIC (UNITED NUCLEAR CORP.) JUNE 13, 2002

On June 13, 2002, Fuel Cycle Safety and Safeguards staff and Carl Jacobsen, a representative of the Department of Energy (DOE), met with Larry Bush, a representative from UNC at the Church Rock, New Mexico site. An initial site tour was conducted, and several areas of the site were observed, including berms, covers, slopes, erosion protection, and diversion channels.

Following the site tour, a meeting was held, and the following items and issues were discussed:

1. Sedimentation: A large amount of sediment had been deposited in the on-pile channels and in the other diversion channels.

2. Diversion Berm: The slopes of the diversion berm appeared to be in a deteriorated condition caused by erosion and sloughing.

3. Jetty: Some rocks in the jetty along Pipeline Arroyo had been displaced.

4. Side Slope: A gully had occurred on the side slope of the tailings pile at the southern end.

5. Differential Settlement: Some settlement was noted in several areas on the top cover.

Staff indicated that there appeared to be sufficient rock in the rock-soil matrix and that there were no issues associated with the rock placement. Mr. Bush indicated that those areas where settlement and erosion had occurred would be repaired.

NRC staff indicated that no final conclusions had been reached regarding the adequacy of the sediment deposition, jetty damage, or berm damage, and that the staff would review the construction and design of the areas noted above. Staff indicated that the licensee should expect a follow-up letter after further technical evaluations and review of the DOE concerns.

Enclosure