

August 23, 2002

Mr. John S. Hamrick
Umetco Minerals Corporation
2754 Compass Drive, Suite 280
Grand Junction, Colorado 81506-8741

SUBJECT: NRC INSPECTION REPORT 40-0299/2002201

Dear Mr. Hamrick:

On July 31, 2002, the NRC completed an on-site construction inspection of your former Gas Hills Uranium Project in Natrona County, Wyoming. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations of activities in progress. The inspection findings were presented to members of your staff at the conclusion of the onsite inspection. The enclosed report presents the results of that inspection. The inspection determined that you have continued to make progress in remediating the site and that activities have been conducted in a safe and effective manner in accordance with the NRC approved reclamation plan, the license, and NRC regulations.

No violations or deviations were identified. Therefore, no response to this letter is required.

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 (PDR) or from the Publicly Available Records (PARS) component of the 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, please contact Mr. John H. Lusher at (301) 415-7694.

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.: 40-0299
License No.: SUA-648

Enclosure: NRC Inspection Report, 40-0299/2002201

cc w/enclosure:

Mr. Edward Ley
Site Superintendent
Umetco Minerals Corporation
P.O. Box 151
Riverton, Wyoming 82501

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

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

Mr. Art Kleinrath, Long-Term Surveillance Project Manager
U.S. Department of Energy
Grand Junction Project Office
2597 B $\frac{3}{4}$ Road
Grand Junction, Colorado 81503

August 23, 2002

Should you have any questions concerning this inspection, please contact Mr. John H. Lusher at (301) 415-7694 or the undersigned at (817) 860-8186.

Sincerely,

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Grand Junction, Colorado 81503

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ENCLOSURE

U. S. NUCLEAR REGULATORY COMMISSION

REGION IV

Docket No.: 40-0299

License No.: SUA-648

Report No.: 40-0299/2002201

Licensee: Umetco Minerals Corporation

Facility: Former Gas Hills Uranium Project

Location: Gas Hills Mining District, Natrona County, Wyoming

Inspection Dates: July 31, 2002

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

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

Mark Plessinger, Stoller (Contractor) for
DOE Grand Junction Office

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

Attachments: Supplemental Information
Photographs

EXECUTIVE SUMMARY

Site of Former Gas Hills Uranium Project
NRC Inspection Report 40-0299/2002201

This inspection included a review of site status and decommissioning, and on-site construction.

Site Decommissioning Status

- Site activities, decommissioning programs, and on-site construction programs were being conducted in accordance with the reclamation and decommissioning plans, the license, and applicable NRC regulations.

Report Details

1 Site Status and Decommissioning for Uranium Mill Sites (87654)

1.1 Inspection Scope

The site status and decommissioning activities were reviewed to determine if licensee activities were being conducted in accordance with the approved reclamation plan, NRC regulations and the license.

1.2 Observations and Findings

a. Site Status

The Former Gas Hills Uranium Mill operated from 1960 to 1979. The mill buildings have been dismantled, and site activities included the reclamation of three disposal areas and continuation of the groundwater monitoring program. In 1980, Umetco submitted a reclamation plan for the Above-Grade Tailings Impoundment (AGTI), incorporating the adjacent experimental heap leach area. Umetco completed tailings regrading and construction of the cover and addition of topsoil and seed in 1992. Several years after construction, erosion of the cover was noted and concerns were expressed for erosion along the east toe of the AGTI, the north toe drain and additional contamination found near the north edge of the AGTI. Additional radon barrier and frost protection cover had been placed on both the AGTI's and the area connecting to the heap leach impoundment. Frost protection covering had been completed. Final rock installation was ongoing.

The A-9 pit, a below-grade solid disposal area, has been capped with an interim layer of soil. However, the A-9 pit is still an active disposal area. The radon barrier for the Heap Leach Impoundment was complete, and the erosion protection was completed by the end of 2001. The one lined pond, GHP-2, is being decommissioned. Pond GHP-1 had been taken out-of-service since the previous inspection, and contaminated materials had been removed from the north and south evaporation ponds.

Reclamation activities in progress during this inspection included: (1) maintenance of impoundments and A-9 disposal cell, (2) the continuation of a groundwater monitoring program, (3) placing cover material on the C-18 pit, (4) placing the radon barrier on the A-9 disposal cell, and (5) placing of erosion protection.

1.3 Conclusions

Site decommissioning activities were reviewed and found to have been conducted in accordance with the approved reclamation plan, applicable license conditions, and regulatory requirements.

2 On-Site Construction (88001)

2.1 Inspection Scope

The NRC conducted an erosion control review to determine whether problems to the tailings impoundment construction or erosion controls existed such that damage or deterioration needed repair.

In accordance with NRC Inspection Procedure 88001, "On-Site Construction," the inspectors reviewed records associated with the testing of riprap quality, gradation, and placement. The inspectors toured the site with the licensee representatives and discussed the production, placement, and testing of the erosion protection materials.

2.2 Observations and Findings

The review indicated that all required tests were performed. The review also indicated that all specifications were met.

The evaluation indicated that the rock has been placed to meet the minimum rock layer thickness requirements.

2.3 Conclusions

Erosion protection was being placed in accordance with the reclamation plan.

3 Windblown Tailings Cleanup

3.1 Inspection Scope

The status of the windblown cleanup activities were reviewed to determine if licensee activities were being conducted in accordance with the approved reclamation plan, NRC regulations, and the license.

The inspectors toured the site with the licensee representatives and discussed the windblown cleanup activities.

3.2 Observations and Findings

The inspector observed the operation of surveys being conducted in the windblown tailings area with the mobile and backpack survey units which used Global Positioning System and computer systems to record the readings during the scanning of the areas. Additionally, the inspector observed the sampling of a 100 square meter grid area. Nine samples were collected in the grid area, blended and counted on the licensee's sample counting system to verify that the 5 pCi/gm Radium -226 limit in the first 15 centimeters are met. The samples are also sent to an independent laboratory for verification.

The inspector reviewed the information that was placed in the Arc-view computer program showing the surveys of the windblown area. The surveys indicated that there were some small areas that needed additional cleanup and/or clarification as to the characterization of natural outcroppings.

3.3 Conclusions

Windblown tailings cleanup was being conducted in accordance with the decommissioning plan.

5 Exit Meeting Summary

The inspector presented the inspection results to licensee representatives at the conclusion of the inspection on July 31, 2002. The licensee representative acknowledged the findings as presented. The licensee did not identify as proprietary, any information provided to, or reviewed by, the inspectors.

ATTACHMENT

PARTIAL LIST OF PERSONS CONTACTED

Licensee

E. Ley, Site Superintendent
S. Schierman, Radiation Safety Officer
T. Gieck, UMETCO
D. Jubenville, P.E., Waste Engineering, Inc
G. Wetherbee, Waste Engineering, Inc
S. Kemp, Independent Consultant
K. Lidstone, Lidstone & Associates
E. Martin, Lidstone & Associates

ITEMS OPENED, CLOSED AND DISCUSSED

Opened

None

Closed

None

Discussed

None

INSPECTION PROCEDURES USED

87654	Decommissioning of Uranium Mills
88001	On-site Construction

LIST OF ACRONYMS USED

AGTI	above-grade tailings impoundment
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UMETCO Above Grade Tailings Impoundment Looking West



UMETCO Rock Covering



UMETCO Placement of East Canyon Creek Barrier



UMETCO East Canyon Creek Barrier



UMETCO Mobil Survey Unit on Windblown Tailings Cleanup Area



UMETCO Mobil Survey Unit



UMETCO Back Pack Survey Unit in Carbide Draw Area



UMETCO Soil Sampling 100 Square Meter Grid in Windblown Cleanup Area



UMETCO Soil Sampling Windblown Cleanup Area



UMETCO Carbide Draw Cleanup Area