

August 23, 2002

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

SUBJECT: NRC INSPECTION REPORT 40-4492/2002202

Dear Mr. Salisbury:

On July 31, 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. No response is required to this letter.

The inspection was an examination of activities conducted under the license as they relate to site reclamation.

The inspection disclosed that no reclamation activities have been in progress since the last inspection.

The inspection indicated that there may be problems with the placement and durability of the placed riprap. In addition, gulying was noted near the toe of the No. 2 tailings pile.

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  
040-4492/2002202

cc: (w/enclosure)

Mr. Ray Burbaker, State Director  
Wyoming 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

August 23, 2002

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  
040-4492/2002202

cc: (w/enclosure)  
Mr. Ray Burbaker, State Director  
Wyoming 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 3/4 Road  
Grand Junction, Colorado 81503

bbc: (w/enclosure): DCD (IE-07)

Distribution:(w/enclosure) via e-mail  
E.Merschoff      D.Chamberlain      L. Howell      C. Cain      FCDB  
L.Carson/R11      MIS System      RIV-Nuclear Material File(5th Floor)  
DOCUMENT NAME:C:\ORPCheckout\FileNET\ML022400745.wpd

Accession No. ML022400745

NMSS/FCSS/FCFB/UP		NMSS/FCSS/FCFB/UP		
JHLusher		G. Janosko		
08/23/02		08/23/02		

**ENCLOSURE**

U. S. NUCLEAR REGULATORY COMMISSION

Docket No.: 40-4492  
License No.: SUA-667  
Report No.: 40-4492/2002202  
Licensee: American Nuclear Corporation  
Facility: Former Gas Hills Project  
Location: Gas Hills area, Fremont County, Wyoming  
Inspection Date: July 31, 2002

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

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

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

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

Attachment: Supplemental Inspection Information  
Photographs

## **EXECUTIVE SUMMARY**

### American Nuclear Corporation's Gas Hills Project NRC Inspection Report 40-4492/2002202

This inspection included a review of site status and remediation.

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

- The decommissioning programs were being conducted in accordance with the remediation plan, the license, and applicable regulations for uranium mill sites (Section 2). Additionally, problems were noted in the rock placement, rock durability, and gullying.

#### **Radiation Protection**

- Site fences were in good condition. Site security and perimeter postings were appropriate (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 programs 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 has 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 consists of Tailings Pile 2 and 40 acres of Tailings Pile 1. Tailings Pile 2 reclamation activities are complete and Tailings Pile 1 activities are on hold. Additionally, the site has an active groundwater recovery and corrective action program.

Reclamation activities are targeted to restart in calendar year 2002. 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 inspectors conducted a construction review to determine whether problems with the tailings impoundment construction or erosion controls existed such that damage or deterioration 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. The inspectors noted rock decomposition on the slopes of the No. 2 tailings impoundment, poor rock placement on the top and side slopes of the No. 2 tailings pile, and gulying at the lower edge of the rock covering of the impoundment in several areas. 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**

It was determined that the rock riprap needed to be repaired in several areas of the top and side slopes, and that repairs needed to be accomplished to reduce the gulying at the edges of the impoundment cover. Additional rock will probably be needed for the rock to conform to construction specifications related to the thickness and gradation. A rock toe will also be needed to prevent gully intrusion into the reclaimed side slopes.

## **3 Exit Meeting Summary**

The inspectors presented the inspection results to the State representative at the conclusion of the inspection on July 31, 2002. The State representative acknowledged the findings as presented.

## ATTACHMENT

### **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





ANC No. 2 Tailings Impoundment Slope Looking North East



ANC No. 2 Tailings Impoundment Looking South





Decomposed Rock ANC No. 2 Tailings Impoundment Slope



Gullying at edge of ANC No. 2 Tailings Impoundment





Gullying at edge of ANC No. 2 Tailings Impoundment