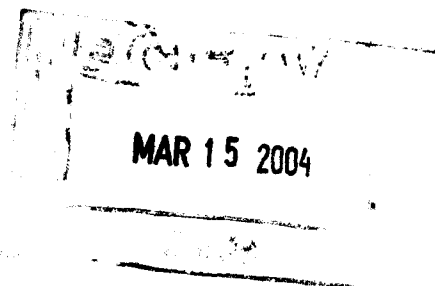




March 11, 2004

PERMIT TO MINE NO. 478

Department of Environmental Quality
Mr. Mark Taylor
Land Quality Division
1043 Coffeen Ave. Suite D
Sheridan, Wyoming 82801



RE: Irigaray Pond RB solution spill.

Dear Mr Taylor:

This letter serves as follow-up notification of the event reported to you by phone call on March 5, 2004. The event was also reported to Mr. Joe Hunter, Wyoming Department of Environmental Quality (WDEQ) Spill Response Office on 3/5/04, and to Ms. Elaine Brummett, NRC Project Manager, and Mr. Jack Whitten, Region IV Branch Chief of the U.S. Nuclear Regulatory Commission (NRC). As required under Chapter IV, Section 4 of the Water Quality Division (WQD), all spills of "hazardous" substances that enter or threaten to enter waters of the state and any spill > 420 gallons must be reported to the WDEQ-WQD within 24 hours of discovery of the event.

INTRODUCTION & INCIDENT CONDITIONS:

The event involved the loss of approximately 15,000 gallons of elution circuit rinse water on the afternoon of March 4, 2004. The spill occurred at our Irigaray (IR) waste ponds Sec 9, T.45 N., R.77 W. One of our plant operators was nearing completion of an eluted resin transfer for transport back to the Christensen Ranch (CR) Project. When he finished the final rinse cycle of the resin he discharged the spent rinse water to the Irigaray ponds as is typically the procedure. The water discharged was relatively clean fluid. A sample taken from the pond discharge line was tested at our CR lab with the following parameters observed:

Conductivity: 837 umhos/cm pH: 7.3 s.u. U_3O_8 : 3.2 ppm

The six inch polypipe that serves as the discharge line to the pond system had recently been relocated by our maintenance staff to the southeast corner of IR Restoration Pond B (Pond RB). The plant discharge lines have undergone several re-locations recently as part of procedures associated with the pond dewatering and decommissioning events taking place at the IR project site. According to Mr. Bill Geis our maintenance foreman, the pipe was secured at this location only by its own weight.

He indicated that this is standard procedure as trying to attach any weights to hold the line inside the pond causes it to rub holes in the pond liner as fluid flows through the line. Mr. Geis indicated that this is not the first time the line has shifted under temperature fluctuations that caused the end to move outside the pond embankment.

INCIDENT INVESTIGATION & ENVIRONMENTAL IMPACT:

Mr. Geis, Mr. Larry Arbogast RST, and I visited the spill site as soon as the incident was reported. The spill area was denoted with flagging and a soil sample was taken for evaluation of uranium and radium 226 content. The spill fluid had obviously mixed with naturally occurring snow and ice build-up covering the terrace and soaked into about a ½ acre area along the west side of the IR road (see attached photos). No fluid was recoverable from the spill site.

Some minor erosion along the pond embankment was noted and will be reclaimed with the removal of the pond upon decommissioning. It was apparent that no fluid from this spill reached the confluence of this terrace with Willow Creek and certainly no wetlands of the state were endangered by the spill. The soil sample taken has been sent to Energy Labs in Casper, Wyoming for analysis. The site will be included in our spill investigation record for review and assessment of required clean-up during decommissioning operations at IR.

IN-HOUSE REVIEW & CORRECTIVE ACTION:

The incident was reviewed at a staff meeting held at CR on 3/9/04. At this meeting it was suggested that to prevent the reoccurrence of this problem the discharge pipe will be anchored at the top of the pond (outside the liner) by chain and metal tee-posts. This should provide some measure of added safeguard against a repeat of the incident. In addition when the plant operators perform this procedure in the future they will advise the maintenance staff that a discharge is being sent to the ponds, or they will themselves check the discharge line to be sure it is properly placed in the pond area.

Please contact me if you require any additional information on this incident.

Sincerely,



Tom Nicholson
Environmental Specialist/RSO

Attachments: Spill Investigation Report. Site Photos.

CC: Joe Hunter, WDEQ-Spill Response Coordinator
E. Brummett, NRC - Project Manager
J. Whitten, NRC- Region IV Branch Chief
D. Wichers, COGEMA - General Manager

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