



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

via Facsimile and Certified Mail
Return-Receipt Requested

July 2, 2004

Mr. Larry Bush, President
United Nuclear Corporation
State Highway 566
21 miles northeast of Gallup
Gallup, NM 87305-3077

Re: Proposed Hydraulic Fracturing of Zone 3
United Nuclear Corporation Church Rock Site
Gallup, New Mexico - Docket 40-8907

Dear Mr. Bush:

The purpose of this letter is to confirm my phone conversation with Roy Blickwedel on June 4, 2004, and to further clarify the United States Environmental Protection Agency's (EPA's) written approval, dated May 21, 2004, for the performance of hydraulic fracturing in Zone 3 at the United Nuclear Corporation (UNC) Church Rock Superfund site (Site) near Gallup, New Mexico. As I indicated in my letter dated May 21, 2004, the EPA approves the next phase of testing for the hydraulic fracturing program, as described in the document entitled "Final Report, Hydraulic Fracturing Pilot Test Results and Preliminary Full Scale Design, UNC Church Rock Facility," dated December 2003.

However, as I said to Mr. Blickwedel in our phone call, at this time the EPA does not approve the full scale implementation of hydraulic fracturing for Zone 3 at the Site. Such implementation would be considered to be a modification to the original ground-water remedy as set forth in the EPA's 1988 Record of Decision (ROD). Any decision to significantly modify the original EPA Site remedy will be made by the EPA in accordance with the requirements of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended, 42 U.S.C. § 9601, *et seq.*, and the National Oil and Hazardous Substances Pollution Contingency Plan (NCP), 40 C.F.R. 300, *et seq.* If EPA ultimately determines that the UNC remedy should be modified, including selection of hydraulic fracturing for Zone 3, the decision document to be issued by the EPA documenting such remedy change would be either an Explanation of Significant Difference (ESD) or a ROD Amendment. An ESD would be used for making a significant change to the remedy, while a ROD Amendment would be used for making a fundamental change to the Site remedy. A ROD Amendment would require public participation in the decision-making process.

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Although I indicated in my letter of May 21, 2004, that an ESD would be the mechanism for the selection of hydraulic fracturing in Zone 3, the EPA may deem it appropriate to issue a ROD Amendment or to take no further action on this issue. In any event, such a decision, if made, would be made by the EPA Region 6 Superfund Division Director. In light of the ongoing work to complete a Supplemental Feasibility Study (SFS) for evaluating other remedial alternatives for the Site, the EPA intends to take a comprehensive look at this and other Site remediation issues.

If you have any questions, please contact me by telephone at 214-665-6707 or by electronic mail at purcell.mark@epa.gov

Sincerely yours,



Mark D. Purcell
Remedial Project Manager
Superfund Division

cc: R. Blickwedel, GE
B. vonTill, NRC
R. Brown, NMED
D. Malone, NNEPA