



Permit to Mine No. 478

August 6, 2004

40-8502

Mr. Mark Taylor
Department of Environmental Quality
Land Quality Division
1866 S. Sheridan Avenue
Sheridan, Wyoming 82801

RE: Information Submittal for 2003 Annual Report Review, Permit No. 478

Dear Mark,

The following are responses to a request for additional information contained in Mr. Glenn Mooney's September 29, 2003 review of COGEMA Mining, Inc.'s 2003 Annual Report. I apologize for the tardiness of this response; I was waiting to receive confirmation of the bonding numbers from NRC before responding, and this did not occur until April of this year. Unfortunately, by that time, I had forgotten about the Annual Report responses. As a result of your kind reminders, the information is as follows.

1. Section 3(g) of the Required Annual Report Information requests information on any environmental problem areas. One event pertaining to dead waterfowl on Christensen Pond 1 was reported to WDEQ but we failed to mention the incident in the Annual Report. The details of the incident are as follows. On May 5, 2003, 18-eared grebes and one teal were found dead in Christensen Evaporation Pond 1. The dead waterfowl were reported to both the WDEQ and U.S. Fish and Wildlife Service on May 5, 2003. The deaths are believed to have been caused by an elevated pH in the pond approaching 11.2 standard units (the pond was immediately sampled to determine potential causes). The elevated pH was determined to be the result of a 1,000-gallon spill of caustic soda (50% concentration) that had occurred in the Christensen plant on April 15, 2003. The elevated pH was not known at the time the waterfowl landed on the pond, as routine sampling for that quarter had not yet occurred. A pH adjustment was then made to the pond by the addition of sulfuric acid to lower the pH to 8.95 s.u. No other waterfowl were found dead or distressed from that point forward. COGEMA held the waterfowl carcasses in the site freezer for inspection by U.S. Fish and Wildlife Service. However, after waiting nine months for the inspection, which never occurred, the birds were finally disposed of.
2. The 2003 Annual Report failed to make mention of the brief excursion status of Christensen Ranch Unit 2 Monitor Well MW68S. The well was first reported on excursion status of March 3, 2003. Corrective action was instituted by way of overrecovery in the direct vicinity of the well. The well was subsequently declared off

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excursion status on April 16, 2003. No further problems were noted for the well during 2003.

Attached to this letter are revised pages to COGEMA's 2003 Annual Report that address the above two incidents. These pages should be inserted into the 2003 Annual Report.

As far as the bond amount of \$11,673,742 that was recommended by WDEQ, we ask that this amount be formally approved. The NRC has not approved the same amount, as they have determined that they will not give COGEMA credit for groundwater restoration work performed until the full restoration for a particular wellfield is approved by WDEQ. Because we maintain one bond for both WDEQ and NRC, the letter of credit will be revised to the higher amount approved by NRC (\$12,120,120) instead of WDEQ's \$11,673,742 (after formal approval by WDEQ of the reduced amount). Both approved reductions from the current bond amount of \$13,695,730 are significant, and we are anxious to go forward with the reduction.

For the 2004 Annual Report, we plan to submit a bond estimate that shows both a WDEQ recommended amount and a NRC recommended amount (will not include any credit for groundwater restoration performed). We prefer to do this to keep track of the fact that the State of Wyoming is indeed providing release of bond money for work performed, even if the NRC is not.

I hope that this response is acceptable for your needs. Please contact me if you should require any additional information.

Sincerely,



Donna L. Wichers
General Manager

Attachments

cc: T. Nicholson - COMIN

excursion status and trend wells are sampled monthly until restoration is complete. These wells are then sampled quarterly during post-restoration/stabilization monitoring and thereafter.

Sample data for each monitor and trend well from January 1, 2003 through June 30, 2003 are contained in Appendix 2. Sample data from the second half of 2002 was included with the 2002 Annual Effluent and Monitoring Report, submitted in February 2003.

By letter from the WDEQ dated July 29, 2003, the seven wells that have been on excursion status at IR (SSM3, SSM18, SSM40, SSM41, SSM42, SSM43 and DM10) have been removed from that status. These wells will now return to post-restoration quarterly sampling frequency. A permit amendment to obtain concurrence from the Nuclear Regulatory Commission (NRC) is currently being prepared.

- Two wells at CR (5MW8 & MW68S) were removed from excursion status during this report period. Well 5MW8 went on excursion December 16, 2002 and was released on July 28, 2003. Please refer to COGEMA's letter dated July 28, 2003 for the details of this release. Well MW68S was reported on excursion status on March 3, 2003. Corrective actions were able to reverse this excursion swiftly and the well was released on April 16, 2003. These events result in only one well currently remaining on excursion status at either project.

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Perimeter monitor well 5MW54 at CR only recently went on excursion status (May 21, 2003). This occurred as a result of the alteration of injection and recovery patterns associated with the RO phase of restoration presently under operation within this unit. The excursion is being corrected by increasing recovery in the immediate vicinity of the problem. Corrective pumping procedures here have the UCL's trending downward and should only require some additional recovery time for full correction of the situation.

Groundwater Monitoring - Regional Ranch Wells:

Annual samples were collected in May 2003 from six regional ranch wells. One additional well that is usually sampled has an inoperable pump, and, therefore was not sampled at this time. When and if the ranch owner repairs the pump, annual samples will again be collected at this site. All samples were analyzed for uranium along with four other radionuclides in the decay chain. The resulting concentrations were mostly Non Detectable (ND), with the remaining concentrations within normal historical ranges. 2003 sample data are listed in Table 1 of Appendix 1. Sample data from the second half of 2002 were included with the 2002 Annual Effluent and Monitoring Report submitted to the WDEQ in February 2003.

Underground Injection Wells:

Two Class I injection wells are installed at the CR project and are licensed by WDEQ Permit Number UIC00-340 for industrial wastes. A total of 38,644,497 gallons of restoration water was injected into disposal well COGEMA DW No. 1, and 35,005,129 gallons were injected into disposal well Christensen 18-3, during the report period.

On May 21, 2003 COGEMA DW No. 1 was treated with a 7.5% hydrochloric acid stimulation to improve its injection capability. WDEQ (Water Quality Division) was

Weekly inspections are conducted on twelve evaporation ponds (seven at IR, and five at CR). No leaks or embankment problems were noted during the report period. 2003 sample data are contained in Table 4 of Appendix 1. Sample data from the second half of 2002 was enclosed with the 2002 Annual Effluent and Monitoring Report submitted in February, 2003.

c)-g) N/A.

h) Since mining activities have ceased at both projects, all wildlife monitoring has been suspended. If mining resumes at a future date, the sage grouse and raptor studies will be reinitiated.

- An incident occurred at the CR ponds during the weekend of May 3 & 4, 2003 in which 18 Grebes and one Teal duck were accidentally killed when they landed in evaporation pond one. The incident was reported to both the WDEQ and U.S. Fish and Wildlife on May 5, 2003.

It is not unusual for waterfowl to land on our ponds, typically with no harmful effects. However, at the time of this incident the water pH in Pond 1 was approaching 11.2 s.u. The elevated pH was the result of a spill of 1,000 gallons of caustic soda (50% conc.) that had occurred in the CR plant on April 15, 2003. This elevated pH level had not been detected at the time the waterfowl landed in the pond, since quarterly sampling had not yet occurred. A pH adjustment was made by the addition of sulfuric acid to bring the pond back to an acceptable level of 8.95 s.u. This corrective action was completed by May 11, 2003 but, was too late to save the waterfowl involved.

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i) Maps showing the monitor locations discussed in this section are located in Appendix 4.

8. **RECLAMATION PERFORMANCE BOND ESTIMATE:**

An updated reclamation/restoration bond estimate for August 2003 through August 2004 is provided in Appendix 3. Unit rates have been updated to 2003 dollars and a detailed description of the unit rates are contained after the bond calculation in Appendix 3. The only credit for work completed that are included in this year's estimate are for the completion of Groundwater Sweep in ALL wellfields at Irigaray and Christensen, as groundwater sweep in Mine Unit 6 at Christensen was during the report period. The changes in unit rates affected all bond worksheets and Table 1 (summary). These changes are best described by the description of unit rates in Appendix 3.

Credit Taken for Work Completed – Groundwater Restoration

The first phase of restoration, one pore volume displacement of groundwater sweep, has been completed for all of the Irigaray and Christensen well fields. In fact, all phases of restoration have been completed at Irigaray and final stabilization monitoring was completed in the last well field in August 2002. Therefore, credit has been taken for all groundwater sweep efforts. If after review of the final report additional restoration were

deemed necessary by the regulatory agencies, the remaining bonded level for the second phase of restoration, five pore volumes of reverse osmosis, should be plenty of surety for any remaining work. The credit has been indicated on the last page of Worksheet 1.

Credit Taken for Work Completed – Pond Reclamation

Credit was taken during the 2002 bond period for all work at the 5I7 ponds with the exception of backfill. This is still the case.

Table 1 – Summary of Reclamation/Restoration Bond Estimate 2002 – 2003

As a result of the above changes to unit rates in all worksheets, changes to Table 1 have been made. The new subtotal for restoration and reclamation is \$8,663,571, or a \$1,402,419 reduction in direct costs from that calculated by WDEQ-LQD (April 3, 2003 review of Annual Report). With the 34.5% contingency, this provides a new Grand Total restoration and reclamation cost of \$11,652,503. This is an overall \$1,886,254 reduction