40-8905

Rio Algom

Bruce A. Law
President

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October 11, 2004

Mr. Gary Janosko
Fuel Cycle Facilities Branch, NMSS
Mail Stop T-8A33
U.S. Nuclear Regulatory Commission
Rockville MD 20852

Dear Mr. Janosko:

As agreed, I am writing to confirm our understanding of the conclusion reached between our attorney, Tony Thompson, and the NRC on the telephone on October 7, 2004, regarding permissible work on the Section 4 ponds prior to overall approval of the project by the NRC.

It is our understanding that Rio Algom Mining LLC (RAM) may initiate activities that are required under the in-place closure plan approved by the NRC as part of the September 24, 1990 amendment to RAM's Source Material License, SUA-1473.

More specifically, these activities will include excavation and consolidation of pond materials in ponds #16–21. RAM intends to consolidate these pond sediments by dewatering/evaporating residual pond liquids and mixing contaminated soils from the berms and beneath the liners in ponds #16–21.

In addition, under the 1990 approval by the NRC of in-situ closure, it was also necessary to dewater and consolidate pond residues within ponds #11–15 in order to ensure the geotechnical stability of these materials prior to placement of the relocated sediments from ponds 16–21. We would also like to commence this work.

Since the contractor who will be performing the work is already on site and partly mobilized, I would very much appreciate your early confirmation of our understanding as expressed above.

Thank you for the assistance you have provided in allowing us to recover some of the time that will be lost as we await NRC approval of the overall closure plan. We expect to submit the closure plan to the NRC before the end of October.

Sincerely,

Bruce A. Law

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cc: Jill Caverly (NRC)

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