

January 17, 2007

Mr. Alan D. Cox, Project Manager  
Grants Reclamation Project  
Homestake Mining Company  
P.O. Box 98/Highway 605  
Grants, NM 87020

SUBJECT: ACKNOWLEDGMENT OF CONDITIONAL ACCEPTANCE FOR REVIEW OF GRANTS RECLAMATION PROJECT ENGINEERING DESIGN PACKAGE AND ENVIRONMENTAL REPORT FOR PROPOSED EVAPORATION POND AND REQUEST FOR RADIOACTIVE MATERIALS AMENDMENT TO LICENSE SUA-1471 (TAC J00506)

Dear Mr. Cox:

By letter dated October 25, 2006, Homestake Mining Company (HMC) submitted its request to the U.S. Nuclear Regulatory Commission (NRC) for review and approval of the Grants Reclamation Project engineering design package for proposed evaporation pond and request for radioactive materials license amendment. The NRC staff has completed its acceptance review of the design package, using the guidance provided in NUREG-1620, Rev. 1, "Standard Review Plan for the Review of a Reclamation Plan for Mill Tailings Sites Under Title II of the Uranium Mill Tailings Radiation Control Act of 1978," June 2003, and NUREG-1748, "Environmental Review Guidance for Licensing Actions Associated with NMSS Programs," August 2003. The design package contains sufficient information to begin a formal review and is conditionally accepted contingent upon the receipt of the following materials needed to facilitate the review:

1. The Environmental Report contained within the design package submitted is marked as "Draft." Provide the final Environmental Report for review.
2. HMC has requested an amendment to its license. The review by the NRC staff may conclude with a recommendation to amend the license to allow for the construction of an additional evaporation pond. Propose how the current license language should be changed or modified to accomplish this task.
3. HMC makes frequent reference to meeting, and several times seeks exemption from, the State of New Mexico requirements in various sections of the New Mexico Administrative Code, Title 19, Chapter 25, Part 12, "Rules and Regulations Governing Dam Design, Construction, and Safety." Provide a copy of these requirements.
4. HMC's geotechnical site investigation consists of several test pits from 5-to-7 feet deep. In addition, it makes reference to the fact that the site area of EP3 is well known from deeper borings from previous work related to mill site operations and reclamation. Provide this additional geotechnical information from the deeper borings from previous work related to mill site operations and reclamation, or indicate where this information can be found if located in documents previously submitted to the NRC.

5. A discussion of decommissioning/reclamation of this pond once its use has ended is required. If an amendment to the reclamation plan is required, indicate how and when this will be completed.
6. NUREG 1748, section 6.4.12, provides examples of information that should be contained in the Environmental Report pertaining to public and occupational health impacts. Provide information relevant to this project concerning the radiological impacts of the proposed action or justification why the analysis is not needed.

The formal review will begin after we receive the requested material. After receipt of the requested material and during the formal review, the staff may have a request for additional information to complete the review.

If you have any questions regarding this letter or the enclosure, please contact Ron Linton, the NRC Project Manager for the Homestake Grants Reclamation Project, at (301) 415-7777, or by e-mail, to [rcl1@nrc.gov](mailto:rcl1@nrc.gov).

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

**/RA/**

Ron Linton, Project Manager  
Uranium Recovery Licensing Branch  
Decommissioning and Uranium Recovery  
Licensing Directorate  
Division of Waste Management and  
Environmental Protection  
Office of Federal and State Materials and  
Environmental Management Programs

Docket No.: 040-08903  
License No.: SUA-1471

cc: S. Appaji, USEPA  
J. Schoeppner, State of NM  
D. Bahar, State of NM

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- 5. A discussion of decommissioning/reclamation of this pond once its use has ended is required. If an amendment to the reclamation plan is required, indicate how and when this will be completed.
- 6. NUREG 1748, section 6.4.12, provides examples of information that should be contained in the Environmental Report pertaining to public and occupational health impacts. Provide information relevant to this project concerning the radiological impacts of the proposed action or justification why the analysis is not needed.

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Sincerely,

**/RA/**

Ron Linton, Project Manager  
 Uranium Recovery Licensing Branch  
 Decommissioning and Uranium Recovery  
 Licensing Directorate  
 Division of Waste Management and  
 Environmental Protection  
 Office of Federal and State Materials and  
 Environmental Management Programs

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<b>DATE</b>	01/17/07	01/17/07	01/17/07		

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