



THE STATE OF WYOMING

MIKE SULLIVAN
GOVERNOR

Received 7/27/94
KMS



Department of Environmental Quality

Herschler Building • 122 West 25th Street • Cheyenne, Wyoming 82002

ADMINISTRATION (307) 777-7758 FAX 777-7682	ABANDONED MINES (307) 777-6145 FAX 634-0799	AIR QUALITY (307) 777-7391 FAX 777-7682	INDUSTRIAL SITING (307) 777-7368 FAX 777-6937	LAND QUALITY (307) 777-7756 FAX 634-0799	SOLID & HAZARDOUS WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973
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July 21, 1994

Mr. Robert M. Bernero, Director
Office of Nuclear Material Safety
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

RE: American Nuclear Corporation, Site Reclamation Strategy

Dear Mr. Bernero:

This letter is a follow-up to a meeting held in Cheyenne on June 23, 1994 to discuss the situation created by ANC going out of business. NRC was represented at that meeting by Messrs. Hawkins, Hooks, Gillen and Finkelstein. Wyoming was represented by myself along with Messrs. Moxley, Roan and Platt. I think we all came away from the meeting satisfied that we could work cooperatively to insure proper and timely reclamation of the American Nuclear site. During our meeting we agreed to provide a letter setting out Wyoming's position relative to the completion of reclamation at the American Nuclear uranium mill tailings site.

First let me state that we are prepared to undertake the reclamation of this site, and if necessary, become the licensee. We have successfully completed similar reclamation projects and would cite the NRC-licensed Ogle Petroleum-Bison Basin project as well as the Riverton and Spook UMTRA projects as prime examples. Our time schedule for this project is based on achieving substantial completion during the 1995 construction season. To meet this schedule we must have a contractor mobilized on-site in early April, 1995, which requires that we have a bid package on the street in early January, 1995.

We have five months to resolve a number of outstanding issues:

1. A reclamation plan must be finalized and a bid package prepared. This will require resolution of nine pages of technical comments contained in NRC's letter of March 11, 1994. We will work to design a plan that will address NRC's concerns, many of which we share, but we need a commitment from NRC to provide timely technical assistance and support to this effort. Time is of the essence and we cannot afford to embark on a comment/response paper chase.
2. We request that NRC review the results of the groundwater corrective action program and, if possible, certify the program as complete. It appears that the seepage from the tailings impoundments at this site has been recovered to the extent possible. In accordance with license

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requirements, only one recovery well is pumped at a minimal rate of 1.5 gallons per minute for six months out of the year. We see no reason to continue this program and would like to see it wrapped up as soon as possible.

3. We request that NRC review the environmental monitoring program with an eye towards reducing or eliminating unnecessary elements. With no activities on-going or planned until spring 1995, we believe that the monitoring program could be sharply reduced with no risk incurred, at least until reclamation operations are started next spring. As of July 1, 1994 we are inspecting the site on a twice-monthly basis from our Lander office in order to monitor the condition of the interim cover on the tailings. Any erosion will be corrected as necessary to prevent exposure or off-site migration of tailings.
4. We request that NRC review the data on tailings settlement and consolidation for each of the tailings ponds and, if possible, make a determination that 90% consolidation has been achieved.
5. We request that NRC waive all fees associated with staff review, inspection and administration of this license. We believe that a waiver of fees would be in the public interest in this case. We will be operating under very tight budgetary constraints since project expenditures must be paid out of the forfeited bond monies which are public funds. The only other potential source of funding would be Title X reimbursements authorized by the Energy Policy Act of 1992 which are also public monies.

Bond forfeiture proceedings have been initiated with certified letters having been sent to ANC and their surety on June 28, 1994. These parties have 30 days to request a hearing before the Wyoming Environmental Quality Council. If no hearing is requested, the EQC will issue a final order for bond forfeiture at their next meeting, which is tentatively scheduled for October 7, 1994. Once the final order is issued, the bonds will be presented for payment. We expect to have the bond monies in hand by the end of October.

Your assistance in this matter is appreciated. If you have any questions please contact me or Mr. Moxley in the Lander office.

Sincerely,



Richard A. Chancellor

Acting Administrator, DEQ Land Quality

MM/RAC:mm:sep

xc: District II