



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

May 02, 1999

Mr. William Paul Goranson  
Quivira Mining Company  
6305 Waterford Building, Suite 325  
Oklahoma, OK 73118

SUBJECT: MODIFICATIONS TO DISPOSAL OF BYPRODUCT MATERIAL,  
AMENDMENT NO. 44 TO LICENSE SUA-1473

Dear Mr. Goranson:

Quivira Mining Company (QMC) requested, by letter dated January 20, 1999, an amendment to Source Material License SUA-1473 to modify two parts of License Condition No. 41 concerning receipt and disposal of byproduct material at its Ambrosia Lake uranium mill and tailings site near Grants, New Mexico. QMC proposed a method for meeting the requirement to provide sufficient funds for reclamation after disposal of byproduct material, and deletion of the 10,000 cubic yards per generator per year limit while maintaining the 100,000 cubic yards total limit per year.

NRC staff has evaluated QMC's request and, as discussed in the enclosed Technical Evaluation Report (TER), has concluded that the request is acceptable. The license is being reissued to incorporate the revised License Condition (Enclosure 2). In addition, License Conditions No. 40.A.(2) and (3) are being modified to show the actual completion dates for placement of interim cover and final radon barrier, respectively, as discussed with QMC. Finally, the modifications to License Condition No. 34 which were approved by Amendment No. 42, and inadvertently removed in Amendment No. 43, were reinstated. All other conditions of the license shall remain the same.

The actions requested by QMC will result in no significant change in the types or significant increase in the amounts of any radiological effluent that may be released offsite. An environmental report is not required from QMC since the amendment does not meet the criteria of 10 CFR 51.60(b)(2). An NRC staff environmental assessment was not performed, since this action is categorically excluded under 10 CFR 51.22(c)(11).

W. Goranson

2

If you have any questions concerning this letter or the enclosures, please contact Ken Hooks, the NRC Project Manager for the Ambrosia Lake site, at (301) 415-7777.

Sincerely,

Original Signed By

N. King Stablein, Acting Chief  
Uranium Recovery and  
Low-Level Waste Branch  
Division of Waste Management  
Office of Nuclear Material Safety  
and Safeguards

Docket No.: 40-8905  
License No.: SUA-1473  
Amendment: No. 44

Enclosures: As stated

cc: T. Fletcher, QMC, NM  
P. Luthiger, QMC, NM  
R. Edge, DOE, GJPO  
K. Yuhas, NMED, Santa Fe

<u>DISTRIBUTION:</u>	FILE CENTER	PUBLIC	NMSS r/f	<u>URLL r/f</u>
CNWRA	BSpitzberg, RIV	ACNW	ANorris, PMDA	
McKenney	ARamirez			
w/o Encl.:	JHolonich	RWeller		

Case Closed: L51768

DOCUMENT NAME: S:\DWM\URLL\KRH\QMC44.WPD

OFC	URLL	E	URLL	URLL					
NAME	KHooks:cc	<i>KA</i>	CAbrams	NKStablein					
DATE	04/30/99	<i>H</i>	04/30/99	05/02/99					

OFFICIAL RECORD COPY

W. Goranson

2

If you have any questions concerning this letter or the enclosures, please contact Ken Hooks, the NRC Project Manager for the Ambrosia Lake site, at (301) 415-7777.

Sincerely,



N. King Stablein, Acting Chief  
Uranium Recovery and  
Low-Level Waste Branch  
Division of Waste Management  
Office of Nuclear Material Safety  
and Safeguards

Docket No.: 40-8905  
License No.: SUA-1473  
Amendment: No. 44

Enclosures: As stated

cc: T. Fletcher, QMC, NM  
P. Luthiger, QMC, NM  
R. Edge, DOE, GJPO  
K. Yuhas, NMED, Santa Fe

TECHNICAL EVALUATION REPORT  
MODIFICATIONS TO DISPOSAL OF BYPRODUCT MATERIAL

DATE: February 26, 1999

DOCKET: 40-8905

LICENSE NO.: SUA-1473

LICENSEE: Quivira Mining Company (QMC)

FACILITY: Ambrosia Lake Uranium Mill and Tailings Site

PROJECT MANAGER: Kenneth R. Hooks

TECHNICAL REVIEWERS: Christopher McKenney and Kenneth R. Hooks

**BACKGROUND:** On May 16, 1997, the U.S. Nuclear Regulatory Commission (NRC) staff approved Amendment No. 37 to License SUA-1473, allowing QMC to receive and dispose of 11e.(2) byproduct material in Tailings Impoundment No. 2 at its Ambrosia Lake uranium mill and tailings site near Grants, New Mexico. The amendment established various conditions for receipt and disposal of the byproduct material, which were listed in License Condition No. 41.

**DESCRIPTION OF AMENDMENT REQUEST:** By letter dated January 20, 1999, QMC requested an amendment to its license to modify two parts of License Condition No. 41 concerning receipt and disposal of byproduct material at its Ambrosia Lake site. Specifically, QMC proposed to use a "five (5) year forward" basis to calculate the annual surety required for reclamation of the disposal areas, and deletion of the limitation of 10,000 cubic yards per generator per year while maintaining the total limitation of 100,000 cubic yards per year from all generators.

**TECHNICAL EVALUATION:** NRC staff agrees with QMC that basing the annual surety amount required for reclamation of the disposal areas on the amount of byproduct material that could be received in the next 5 years, 500,000 cubic yards, rather than the total that could be disposed of in the tailings pile, 3,800,000 cubic yards, will ensure sufficient funds for reclamation by a third party, if required. The staff has also determined that the 10,000 cubic yards per generator per year limitation is not a regulatory requirement, and that there will be no effect on the analyses performed for Amendment No. 37 as long as the total annual limit of 100,000 cubic yards per year is retained.

**LICENSE REVISION:3**

License Condition 41.A. will be revised to read as follows:

"Prior to the receipt of any material under this condition, the licensee shall provide an analysis of the costs of reclamation based on the disposal of the amount of byproduct authorized by this

condition on a five (5) year forward basis and include that analysis into the annual surety update required by License Condition 22. [Applicable Amendments: 37, 44]"

License Condition 41.B. will be revised to read as follows:

"Deleted by Amendment No. 44."

**ENVIRONMENTAL IMPACT EVALUATION:** In accordance with the categorical exclusion contained in paragraph (c)(11) of 10 CFR 51.22, an NRC environmental assessment is not required for this licensing action since (1) there is no significant change in the types or significant increases in the amounts of any effluents that may be released off site; (2) there is no significant increase in individual or cumulative occupational radiation exposures; (3) there is no significant construction impact; and (4) there is no significant increase in the potential for or consequences from radiological accidents. An environmental report is not required from QMC since the amendment does not meet the criteria of 10 CFR 51.60 (b)(2).

Enclosure 2