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40-8907/PJG/87/03/26/0

APR 10 1987

URFO:PJG
Docket No. 40-8907
04008907120E

UNC Mining and Milling
ATTN: Mr. Vincent Tonc
P.O. Drawer QQ
Gallup, New Mexico 87301

Gentlemen:

We are in receipt of your letter dated March 16, 1987, providing comments on the staff's proposed upgrade to Source Material License SUA-1475. We appreciate your comments and have incorporated them into the license to the extent possible. A copy of the resulting Amendment No. 1 to Source Material License SUA-1475 is enclosed for your use.

We are providing below an item-by-item summary of our review and conclusions with respect to those proposed conditions for which UNC Mining and Milling provided comments.

1. Condition No. 12 - This condition specifies only the form and manner in which the results of environmental monitoring required by Condition No. 27 should be reported.

2. Condition No. 13 - modified per your comment.

3. Condition No. 15 - modified per your comment.

4. Condition No. 16 - modified per your comment.

5. Condition No. 20 - The term "non-operational activities" has been deleted to avoid confusion. The revised condition specifies that written procedures be established for all activities required as part of the facility's occupational radiation safety and environmental monitoring programs. This includes such items as collection and analysis of air samples and bioassay samples, determination of internal and external employee exposures, calibration of sampling and survey equipment, collection of ground

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water samples, etc. Operational activities for a mill in decommissioning status include disassembling equipment or piping within the mill and are often conducted in accordance with specific Radiation Work Permits issued by the mill RSO.

6. Condition No. 22 - This condition refers to the timely determination of occupational exposure to ore dust and yellowcake. NRC does indeed possess the regulatory authority to regulate the intake of ore dust. This authority is very explicitly addressed in 10 CFR Part 20 (see Item 4 of the "Note" following Appendix B). With regard to yellowcake, occupational exposure to yellowcake dust will occur during future decommissioning activities (i.e., disassembling of yellowcake dryer, piping in the yellowcake area, etc.). This condition does not impose monitoring requirements, but only stipulates that exposure determinations required by 10 CFR 20.103 be performed in a timely manner. This condition will therefore remain as proposed.

7. Condition No. 25 - This condition specifies specific surety requirements in accordance with 10 CFR Part 40, Appendix A, Criterion 9. Criterion 9 states that "the surety must also cover the payment of the charge for long-term surveillance and control required by Criterion 10." Criterion 10 requires the payment by each mill operator of $250,000 (1978 dollars) to cover the costs of long-term surveillance. We have therefore revised the condition to state that surety arrangements must be adequate to cover the charge for long-term surveillance and control required by Criterion 10 of Appendix A to 10 CFR 40.

We understand that New Mexico mill operators have paid money into the State's Perpetual Care Fund. However, the State has not, to date, indicated a willingness to include the NRC as a co-beneficiary. We are attempting to resolve this issue (see Enclosure 2). Until such time as the State amends the financial surety arrangements to provide for Federal access to the funds, however, we cannot consider the funds as partial satisfaction of the requirements of Criterion 9.

With regard to ground-water restoration, Criterion 9 states, "The amount of funds to be ensured...must be based on...a Commission-approved plan for...(2) the reclamation of tailings and/or waste areas in accordance with technical criteria delineated in Section I of this Appendix." Criterion 5 of Section I, in turn,

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states that "action must be taken to alleviate conditions that lead to excessive seepage impacts and restore ground-water quality."

This condition will therefore remain as proposed.

8. Condition No. 27 - The environmental monitoring program currently specified in this condition will be revised as soon as our respective staffs can reach agreement on a specific program appropriate for the Church Rock site. The first step in this process was the submittal by UNC of a proposed program as an enclosure to your March 16, 1987 letter in response to our inspection findings. We will review the proposed program in a timely manner and provide comments or approval as appropriate. Until such time as the program is finalized, however, the condition will remain as proposed.

As indicated in our earlier correspondence of September 26, 1986, this initial upgrade is being done on a fee exempt basis. Future modifications to your license in response to your future submittal of a reclamation plan or as necessitated by inspection findings will require a fee determination.

This license is being reissued in its entirety to include the modifications of Amendment No. 1. The issuance of this amendment was discussed via telecon between your Mr. Brennan and Mr. Pete Garcia of my staff on April 2, 1987.

FOR THE NUCLEAR REGULATORY COMMISSION

HJP for

R. Dale Smith, Director
Uranium Recovery Field Office
Region IV

Enclosures: Source Material License SUA-1475, Amendment No. 1
Letter from William L. Brown, USNRC, to Richard L. Young, NMEID, dated March 11, 1987

cc: Mr. Michael J. Brennan
Holland and Hart
P.O. Box 8749
Denver, CO 80201

Case Closed: 04008907120E

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NRC Form 374
(5-84)

U.S. NUCLEAR REGULATORY COMMISSION

MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 40 and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee	
1. UNC Mining and Milling Division of United Nuclear Corporation	3. License number SUA-1475, Amendment No. 1
2. P.O. Drawer QQ Gallup, New Mexico 87301	4. Expiration date Until NRC determines site reclamation is adequate.
	5. Docket or Reference No. 40-8907

6. Byproduct, source, and/or special nuclear material	7. Chemical and/or physical form	8. Maximum amount that licensee may possess at any one time under this license
Uranium byproducts	Any	Unlimited

9. Authorized place of use: The licensee's uranium milling facilities located in McKinley County, New Mexico.

10. The licensee is hereby authorized to possess byproduct material in the form of uranium waste tailings and other byproduct wastes generated by the licensee's past milling operations. The licensee is not authorized to produce uranium concentrate without a license amendment approved by the USNRC, Uranium Recovery Field Office.

11. Release of equipment or packages from the restricted area shall be in accordance with Attachment No. 1 to SUA-1475, "Guidelines for Decontamination of Facilities and Equipment Prior to Release for Unrestricted Use or Termination of Licenses for Byproduct or Source Materials," dated September, 1984.

12. The results of all effluent and environmental monitoring required by this license shall be reported in accordance with 10 CFR 40, Section 40.65 with copies of the report sent to the USNRC, Uranium Recovery Field Office. Monitoring data shall be reported in the format shown in the Attachment No. 2 to SUA-1475, "Sample Format for Reporting Monitoring Data."

13. Before engaging in any activity likely to cause an environmental impact not previously assessed by the USNRC, the licensee shall prepare and record an environmental evaluation of such activity. When the evaluation indicates that such activity may result in a significant adverse environmental impact that was not previously assessed or that is greater than that previously assessed, the

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MATERIALS LICENSE
SUPPLEMENTARY SHEET

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licensee shall provide a written evaluation of such activities, including any irreversible or irretrievable commitment of natural resources resulting from such activities, and obtain prior approval of the USNRC in the form of a license amendment.

14. Prior to termination of this license, the licensee shall provide for transfer of title to byproduct material and land, including any interests therein (other than land owned by the United States or the State of New Mexico), which is used for the disposal of such byproduct material or is essential to ensure the long term stability of such disposal site to the United States or the State of New Mexico, at the State's option.

15. The licensee shall not make any changes to the present tailings retention system which may affect the structural integrity of the tailings dam without specific prior approval of the USNRC, Uranium Recovery Field Office, in the form of a license amendment.

16. The licensee shall implement an interim stabilization program for the control of blowing tailings for all tailings not covered by standing water. This program shall include written operating procedures and shall prevent or minimize dispersal of blowing tailings to the extent reasonably achievable and in accordance to Criterion 8 of 10 CFR 40, Appendix A. The effectiveness of the control method used shall be evaluated weekly by means of a documented tailings area inspection, and corrective actions taken and documented in response to inspection findings.

17. The licensee is hereby exempted from the requirements of Section 20.203(e)(2) of 10 CFR 20 for areas within the mill, provided that all entrances to the mill are conspicuously posted in accordance with Section 20.203(e)(2) and with the words, "Any area within this mill may contain radioactive material."

18. The results of sampling, analyses, surveys and monitoring, the results of calibration of equipment, reports on audits and inspections, all meetings and training courses required by this license and any subsequent reviews, investigations, and corrective actions, shall be documented. Unless otherwise specified in the USNRC regulations all such documentation shall be maintained for a period of at least five (5) years.

19. The mill Radiation Safety Officer (RSO), who is responsible for radiation safety aspects of mill decommissioning, shall possess the minimum qualifications as specified in Section 2.4.1 of Regulatory Guide 8.31, "Information Relevant to Ensuring that Occupational Radiation Exposures at Uranium Mills will be As Low As is Reasonably Achievable."

20. Written procedures shall be established for activities associated with the in-plant radiation safety and environmental monitoring programs, e.g., bioassay

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analyses, instrument calibrations, exposure determinations, in-plant air sampling, ground-water sampling, etc. An up-to-date copy of each written procedure shall be kept in the mill area to which it applies.

All written procedures shall be reviewed and approved in writing by the RSO before implementation and whenever a change in procedure is proposed to ensure that proper radiation protection principles are being applied. In addition, the RSO shall perform a documented review of all existing site procedures at least annually.

FEDERAL REGISTER

21. The licensee shall be required to use a Radiation Work Permit (RWP) for all work or nonroutine maintenance jobs where the potential for significant exposure to radioactive material exists and for which no standard written procedure already exists. The RWP shall be issued by the RSO or his designate, qualified by way of specialized radiation protection training, and shall at least describe the following:

A. The scope of the work to be performed.

B. Any precautions necessary to reduce exposure to uranium and its daughters.

C. The supplemental radiological monitoring and sampling necessary prior to, during, and following completion of the work.

22. Occupational exposure calculations shall be performed and documented within one week of the end of each regulatory termination period as specified in 10 CFR 20.103(a)(2) and 10 CFR 20.103(b)(2). Routine airborne ore dust and yellowcake samples shall be analyzed in a timely manner to allow exposure calculations to be performed in accordance with this condition. Non-routine ore dust and yellowcake samples shall be analyzed and the results reviewed by the RSO within two working days after sample collection.

23. Mill tailings, other than small samples for purposes such as research or analysis, shall not be transferred from the site without specific prior approval of the USNRC in the form of a license amendment. The licensee shall maintain a permanent record of all transfers made under the provisions of this condition.

24. All liquid effluents from mill decommissioning activities, with the exception of sanitary wastes, shall be discharged to the tailings impoundment.

25. The licensee shall maintain a USNRC approved surety arrangement adequate to cover tailings stabilization and reclamation, mill decommissioning, mill site reclamation, the charge for long-term surveillance and control required by Criterion 10 of Appendix A to 10 CFR 40, and ground water restoration as warranted. The licensee shall submit for USNRC review and approval a proposed surety arrangement within three (3) months of USNRC approval of a tailings area

MATERIALS LICENSE
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reclamation plan or approval of any revision thereto. The revised surety shall be in effect within three (3) months of written USNRC approval. Furthermore, the licensee shall submit for USNRC review any proposed revision or update to the surety arrangement at least two (2) months prior to the proposed effective date. Along with each proposed revision or update and at least annually, the licensee shall submit documentation showing a breakdown of the costs and the cost basis for tailings stabilization and reclamation, mill decommissioning, mill site reclamation, long term maintenance and monitoring, and ground water restoration as warranted.

26. The licensee shall submit a detailed mill site decommissioning plan to the USNRC, Uranium Recovery Field Office, by June 1, 1987 for review and approval in the form of a license amendment.

27. The licensee shall immediately comply with the recommendations and requirements for an adequate environmental monitoring program contained in letter dated July 3, 1980, Mr. Thomas E. Baca, NMEID, to Mr. Thomas F. Bailey, United Nuclear Corporation, as subsequently modified by NMEID.

FOR THE NUCLEAR REGULATORY COMMISSION

Date April 10, 1987

R. Dale Smith, Director
Uranium Recovery Field Office
Region IV

FOR REGISTRATION NOTICE

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FOR THE NUCLEAR REGULATORY COMMISSION

Date APR 10 1987

H.J.P. for
R. Dale Smith, Director
Uranium Recovery Field Office
Region IV

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