



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

August 29, 1997

Mr. Joseph E. Virgona, Project Manager  
U.S. Department of Energy  
Grand Junction Project Office  
P.O. Box 2567  
Grand Junction, Colorado 81502-2567

SUBJECT: LONG-TERM CARE FUND FOR THE BLUEWATER MILL SITE

Dear Mr. Virgona:

The U.S. Nuclear Regulatory Commission staff has evaluated the probable requirements for long-term care of the Atlantic Richfield Company's (ARCO's) Bluewater Uranium Mill and Tailings site near Grants, New Mexico, subsequent to its transfer to the U.S. Department of Energy (DOE). Based on numerous discussions between NRC and DOE staff and ARCO personnel, on the information in DOE's Long-Term Surveillance Plan (LTSP) submitted February 5, 1997, and on other documents as referenced below, the NRC proposes the following:

- \* Basic licensee long-term care funding equal to \$594,165 per 10 CFR Part 40, Appendix A, Criterion 10 (\$250,000 in 1978 dollars escalated to September 1997).
- \* Additional licensee funding equal to \$41,000 for sampling of groundwater for PCB's (4 wells yearly for 20 years), natural uranium, molybdenum and selenium (3 wells yearly for 6 years) (NRC comments on LTSP in letter dated April 29, 1997).
- \* ARCO's total long-term care funding equal to \$635,165.

In arriving at the total stated above, the NRC staff has considered the following:

- \* 10 CFR Part 40, Appendix A, Criterion 12 requires one single annual report for all Title II sites, unless problems are identified at specific sites.
- \* Groundwater sampling will be performed by local (Grants, New Mexico area) personnel under contract to DOE (NRC letter April 29, 1997); or, alternately, by DOE/contractor personnel during the required annual inspection.
- \* No fence maintenance is required, since fencing is not required to ensure compliance with the regulations in 10 CFR Part 40, Appendix A (Uranium Recovery Program Policy and Guidance Directive LLWM 91-01, February 5, 1991).
- \* No vegetation removal is required, since root intrusion into the radon barrier layer should not be extensive enough to significantly affect the radon attenuation capabilities of the barrier (NRC letter October 30, 1996, Amendment 34 to License SUA 1470).

J. Virgona

ARCO stated in its letter on January 30, 1997, that it was prepared to send a check or do an electronic fund transfer with two weeks of notice that the NRC is ready to terminate ARCO's license and DOE is ready to accept the site. Based on discussions between the NRC and DOE on July 16, 1997, the check or funds transfer should be made to DOE. NRC will notify ARCO to proceed with transferring \$635,165 to DOE unless a rationale for an alternate amount is provided by DOE prior to September 5, 1997.

If you have any questions, please contact the NRC Project Manager, Ken Hooks at (301) 415-7777.

Sincerely,

(Original signed by)

Joseph J. Holonich, Chief  
Uranium Recovery Branch  
Division of Waste Management  
Office of Nuclear Material Safety  
and Safeguards

Docket No. 40-8902  
License No. SUA-1470

cc: R. Ziegler, ARCO Grants  
K. Landolt, DOE Albuquerque  
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