



NEW MEXICO
ENVIRONMENT DEPARTMENT

Ground Water Quality Bureau

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RON CURRY
Secretary
SARAH COTTRELL
Deputy Secretary

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 16, 2010

Billy Ray, Ambrosia Lake Site Manager
Rio Algom Mining, LLC
P.O. Box 218
Grants, NM 87020

RE: Proposed Alternate Disposal Cell (ADC), Rio Algom Mining, LLC

Dear Mr. Ray,

In a letter dated August 10, 2010, the Ground Water Quality Bureau (GWQB) of the New Mexico Environment Department (NMED) requested that Rio Algom Mining, LLC (RAM) submit a Notice of Intent (NOI) regarding the construction of the Alternate Disposal Cell (ADC) at the Rio Algom mill site. NMED's letter of October 15, 2010, notified RAM that a discharge permit was required. During our meeting with RAM on November 2, 2010, RAM requested that NMED re-consider the requirement for RAM to submit a discharge permit application for the ADC. Based on discussions regarding clean-up and closure of the site and consolidation of the permits, NMED has determined that RAM need not submit a discharge permit application for the ADC.

NMED requires instead that RAM submit for approval a Corrective Action Plan (CAP) pursuant to Section 20.6.2.1203 NMAC of the WQCC regulations. The CAP must include all of the information previously submitted to the Nuclear Regulatory Commission pursuant to the license amendment for the ADC. In addition to the information submitted to the NRC, the CAP should include a complete and comprehensive description of all available data describing the waste, including sampling results, volume calculations and a map showing existing locations of waste proposed for disposal in the ADC.

NMED has concerns about the adequacy of monitoring coverage around the ADC. Based on review of the CAP, NMED may require RAM to include additional ground water monitoring in the site wide abatement proposal that RAM is preparing. NMED requires that RAM submit the CAP within 15 days of receipt of this letter. If RAM determines that additional time is necessary, Section 20.6.2.1203 A. (6) provides that upon a written

request and for good cause shown, the Bureau Chief may extend the time limit beyond fifteen days.

If you have any questions, please contact either Larry Shore at 505-827-2797 or Mary Ann Menetrey, Program Manager of the Ground Water Mining Environmental Compliance Section, at 505-827-2944.

Sincerely,



William C. Olson, Chief
Ground Water Quality Bureau

WO:ls

cc: Dr. Tom McLaughlin, Project Manager, Material Decommissioning Branch
Division of Waste Management and Environmental Protection
Office of federal and State Materials and Environmental Protection
US Nuclear Regulatory Commission
Washington, DC 20555-0001

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