

October 25, 2012

Ms. Pamela Phillips, Acting Director
Superfund Division
EPA Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

SUBJECT: 2012 SEMIANNUAL PROGRESS REPORT FOR THE HOMESTAKE URANIUM
MILL SITE NEAR MILAN, NEW MEXICO

Dear Ms. Phillips:

In 2011, the U.S. Nuclear Regulatory Commission (NRC), Office of the Inspector General (OIG) conducted an audit of NRC's Oversight of Decommissioned Uranium Recovery Sites and Sites Undergoing Decommissioning. The OIG's final audit report was published on December 13, 2011 (OIG-12-A-06). In its audit of NRC's Uranium Recovery Program, the OIG evaluated the staff's implementation of the Memorandum of Understanding (MOU) between NRC and U.S. Environmental Protection Agency (EPA) regarding the Homestake Uranium Mill. In its final report, the OIG criticized the staff for not providing EPA formal site remediation progress reports on a semiannual basis for Homestake.

The staff is taking corrective action to address the OIG audit findings. Section V.A.4 of the MOU requires NRC to provide EPA with progress reports on Homestake Mining Company (HMC) remediation, semiannually. Although the MOU has not been revised in almost 20 years and doesn't reflect NRC's current organizational structure or electronic records management practices, NRC will implement the MOU, as written, until it is revised. In an effort to update the MOU, NRC will be proposing administrative changes to the MOU in the near future.

Remediation activities at the HMC site are ongoing in accordance with NRC License SUA-1471. License Condition 35.E requires HMC to submit annually, a performance review of the corrective action program that details the progress towards attaining groundwater protection standards. On March 30, 2012, HMC submitted the 2011 Annual monitoring Report / Performance Review (ADAMS Accession Nos. ML12111A055, ML12111A056, ML12111A058, ML12111A059, ML12111A060).

On March 6, 2012, HMC also submitted its Evaluation of Years 2000 through 2011 Irrigation with Alluvial Ground Water Report (ADAMS Accession Nos. ML12079A161, ML12079A162, ML12079A164). This report presents the water, soils and vegetation data collected through 2011.

In accordance with 10 CFR 2.390 of the NRC's Rules of Practice, a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's Agencywide Documents Access and Management System (ADAMS). Although copies of the above referenced reports were provided to EPA by HMC, they are also publicly available in ADAMS. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have comments or questions regarding this letter, please contact me at 301-415-7319.

Sincerely,

/RA/

Larry W. Camper, Director
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket No.: 40-8903,
License No.: SUA-1471

cc: Homestake Service List

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