



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

August 25, 2016

Mr. Oscar Paulson
Kennecott Uranium Company
P.O. Box 1500
Rawlins, WY 82301-1500

**SUBJECT: DRAFT RENEWAL MATERIALS LICENSE, SWEETWATER URANIUM
PROJECT, SWEETWATER COUNTY, WYOMING**

Dear Mr. Paulson,

By letter dated July 24, 2014, Kennecott submitted to the U.S. Nuclear Regulatory Commission (NRC) a license renewal application for a source and byproduct materials license for the Sweetwater Uranium Project located in Sweetwater County, Wyoming. In order to approve a license renewal application, NRC staff reviews the application for technical compliance with the Atomic Energy Act, as amended, and for related environmental effects in accordance with the National Environmental Policy Act.

Staff's technical review will be documented in a Safety Evaluation Report (SER). The staff is in the process of finalizing the SER. Staff submitted environmental RAIs, dated August 9, 2016.

Enclosed is a copy of the draft license conditions discussed in the public meeting of August 18, 2016. Please note that, as stated during the public meeting, these draft license conditions are preliminary and for the purpose of initiating discussions necessary to finalize the SER. As the staff's review continues, these draft license conditions are subject to change. Furthermore, these draft license conditions have not been subjected to NRC legal review. As such, disclosure of these draft license conditions does not constitute a final licensing decision by the NRC.

Below is a brief overview of the technical basis for each license condition. A more detailed technical basis will be included in the SER.

License Condition 9.10

NRC staff reviewed the catchment basin verification report and supplemental information (Responses to NRC RAIs) and determined that the results are below the Radium Benchmark Dose as defined in 10 CFR 40, Appendix A, Criterion 6(6). Therefore, NRC concurs with the removal of the proposed language from License Condition 9.10.

License Condition 11.3

NRC staff has determined from review of historical data and responses to requests for additional information that the current corrective action plan is not achieving compliance with the groundwater protection standard limits approved for the site. Furthermore, the extent to which

contamination may extend beyond the western boundary of the Bonded Area has not been characterized by the licensee. NRC staff is therefore requiring the licensee to fully characterize the current extent of groundwater contamination and provide a revised corrective action plan to bring the groundwater into compliance with the groundwater protection standards.

License Condition 11.4 (Part 1)

NRC staff has determined that the current operational monitoring requirements for the new tailings impoundment and evaporation ponds pursuant to the groundwater detection monitoring criteria in 10 CFR 40, Appendix A, are based on previous information and assumptions about local groundwater conditions that are no longer valid. Therefore, License Condition 11.4 is being modified to require the licensee to update and provide a groundwater detection monitoring program for the new tailings impoundment and evaporation ponds to ensure compliance with 10 CFR 40, Appendix A, Criteria 5B(1) and 7A or, per the general provisions of 10 CFR 40, Appendix A, propose alternatives to these specific requirements for consideration by NRC.

License Condition 11.4 (Part 2)

Kennecott provided additional information in the Environmental Report (ER), dated June 3, 2016 discussing both the environmental monitoring program in standby and operation. According to the ER, upon resumption of operation, the environmental monitoring program will include additional environmental monitoring stations. NRC staff observed that the locations of at least one of the air sampling station(s) does not comport to Regulatory Guide 4.14. The guidance recommends that three air sampling stations be located in the three highest concentration sectors during operations. Comparing the air sampling stations (including direct radiation and soil) in Table 6.2 of the ER, to the wind rose provided in the ER (Figure 9), there is no air sampling station in the east sector during operations. This is not consistent with Regulatory Guide 4.14. An air sampling station needs to be placed in the east sector. Kennecott also indicated that air effluent monitoring will be resumed during operations. Kennecott needs to discuss in detail the air effluent monitoring program that includes both the effluent from the plant and the tailings impoundment during operation and how it will comply with 10 CFR 40.65 for quantities of radionuclides, as well as comply with 10 CFR 20.1301 and 10 CFR 20.1302. This issue will be discussed in the final SER. Therefore, License Condition 11.4 needs to address the deficiency for air sampling station in the east sector, and the air effluent monitoring upon resumption of operation.

Please review the draft license conditions and provide written comments within 30 days of receipt of this letter. Comments can be provided via letter or email. Significant changes or deviations from the draft license conditions may require additional staff review and may delay the final review schedule.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) Part 2.390 of the NRC's "Agency Rules of Practice and Procedure," 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). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rem/adams.html>.

O. Paulson

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If you have any questions concerning the above, please contact me at (301) 415-6252 or via email at James.Webb@nrc.gov.

Sincerely,

/RA/

James Webb, Project Manager
Uranium Recovery Licensing Branch
Division of Decommissioning Uranium Recovery
and Waste Programs
Office of Nuclear Material Safety
and Safeguards

Docket No. 040-08584

Enclosure
Draft Source Material License

cc:
Mr. Miles Bennett, WDEQ
Mr. Luke McMahon, WDEQ

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cc:
Mr. Miles Bennett, WDEQ
Mr. Luke McMahon, WDEQ

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