

March 22, 2017
EN 17-008

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Licensee: Homestake Mining Company of California, EA-16-114
Grants Reclamation Project
Docket No.: 040-08903

Subject: Issuance of Confirmatory Order

This is to inform the Commission that a publicly available confirmatory order will be issued on or about March 28, 2017, to Homestake Mining Company of California (HMC); Grants Reclamation Project (licensee), a former uranium milling operation that is authorized to possess licensed material incidental to decommissioning. The order confirms commitments reached as part of an alternative dispute resolution (ADR) settlement agreement addressing apparent violations that were identified as a result of a records review to determine if the licensee was in compliance with regulatory and license requirements.

In a letter to the licensee, dated October 4, 2016, the U.S. Nuclear Regulatory Commission (NRC) outlined the apparent violations and offered the licensee the opportunity to attend a predecisional enforcement conference or to request ADR with the NRC. Five apparent violations were identified: (1) implementation of the Reinjection Program in a manner inconsistent with HMC's groundwater Corrective Action Program (CAP); (2) discharge of liquid effluents from the Reverse Osmosis Plant in excess of the site ground water protection standards established in the license; (3) failure to report to the NRC the results of all effluent monitoring required by the license; (4) failure to obtain monthly composite samples as required by the license; and (5) discharge of liquid effluents containing byproduct material to land application areas without first obtaining NRC approval.

In response to the NRC letter, the licensee requested ADR. ADR mediation sessions were held on December 12, 2016, and February 15, 2017. A preliminary settlement agreement was reached that also recognized a number of actions already completed by the licensee. The order includes, but is not limited to the following list of agreed upon future licensee actions: (1) submit a root cause protocol for review by an independent third party expert and provide the review to the NRC, with subsequent use for evaluations of the violations and other areas identified in the order; (2) assess all activities to determine compliance and identify both procedures and license changes, including actions to improve safety culture and review by an independent contractor to identify other corrective actions; (3) submit changes to procedures and the license identified by the assessment; (4) submit a revised groundwater CAP by the end of 2018; (5) provide annual training on license and regulatory requirements; (6) complete an analysis of the re-injection system impact to the time estimate for completion of the groundwater CAP; (7) adjust operations to comply with the Ground Water Protection Standards (GWPS) in its license; (8) analyze the impacts from the exceedances identified by the NRC and provide the same for any future non-compliances related to GWPS with reporting now required within 30 days of lab results; and (9) assess land applications of irrigation water containing byproduct material for impacts to past, current, or foreseeable future uses of the areas, as well as propose measures to control use and access to impacted areas, a corrective action plan for remediation, and final surveys demonstrating NRC remediation action levels are met. The order also provides two amendments that address composite sampling and analysis frequency with semi-annual reporting to NRC. Related to these amendments, HMC will develop procedures to ensure

sampling and reporting. Additionally, in consideration of the commitments from HMC, the NRC agrees to forgo seeking a notice of violation or civil penalty in the matter, and will limit use of the order in assessing future civil penalties to those violations of the order.

Commensurate with the ADR process, the licensee was specifically informed of and agrees to this enforcement action. The licensee also signed a waiver to its hearing rights related to this action. The schedule of issuance and notification is on or about the following dates:

Mailing of Notice	March 28, 2017
Telephone Notification of Licensee	March 28, 2017

The State of New Mexico will be notified.

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