



Grants Reclamation Project

Homestake Mining Company of California

Thomas Wohlford  
**Closure Manager**

August 3, 2017

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, DC 20555-0001

**Re: Reply to a Notice of Violation, Docket No. 040-08903/2017-001, License No. SUA-1471**

Dear Sir or Madam:

During an NRC inspection conducted April 24-26, 2017, at the Homestake Mining Company of California (HMC) facility in Grants, NM, the NRC identified three Severity Level IV violations of NRC requirements. The NRC sent a written notice of violation dated July 6, 2017 to HMC. The violations involved failure to: (1) establish standard procedures for all activities involving radioactive materials that are handled, processed, or stored; (2) prepare and record an environmental evaluation of all activities not previously assessed by the NRC; and (3) conduct a cultural resources survey. In addition to these three violations, the NRC Inspection Report (040-08903/2017-001) also identified a licensee failure to appropriately implement the 1989 groundwater corrective action program, as amended in 1998. However, this fourth issue has been addressed in the NRC's Confirmatory Order dated March 28, 2017.

**Reason for the Violations**

- A. **VIOs 040-08903/1701-01**: License Condition 23 states, in part, that standard procedures shall be established for all activities involving radioactive materials that are handled, processed or stored. HMC's failure to establish a standard procedure for disposal of wastes in the onsite small tailings pile and operation of the evaporation ponds stems from the fact that these operations were previously viewed by HMC as routine activities that required minimal verbal instruction to implement. HMC also relied significantly on senior HMC staff experience regarding the disposal of wastes in onsite small tailings pile and operation of the evaporation ponds. In regards to the 1,200 gallons per minute (gpm) zeolite remediation system, failure to establish a written standard procedure for operation of the system stems from the fact that operations of the 1,200 gpm zeolite remediation were somewhat similar to operations of the 300 gpm zeolite remediation system, which does have a written standard operating procedure (SOP).
- B. **VIO 040-08903/1701-02**: License Condition 16 states that before engaging in any activity not previously assessed by the NRC, the licensee shall prepare and record an environmental evaluation of such activity. When the evaluation indicates that such activity may result in a significant adverse environmental impact that was not previously assessed or that is greater than that previously assessed, the licensee shall provide a written evaluation of such activities

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and obtain prior approval of the NRC in the form of a license amendment. In regards to Safety and Environmental Review Panel (SERP) 15-01, which expanded the onsite and offsite groundwater corrective action program and approved a modified well configuration for injection of groundwater, HMC failed to prepare and record an environmental evaluation of this activity or obtain prior approval of the NRC in the form of a license amendment. The violation occurred because HMC had incorrectly concluded that the SERP process according to Title 10, Code of Federal Regulations (CFR) Section 50.59 allows licensees to make facility changes and conduct test and experiments without requesting a license amendment. In addition, HMC concluded that since groundwater restoration was already a licensed activity, modifications to a system used for groundwater restoration did not constitute a new activity. Therefore, HMC had thought or assumed that no license amendment or environmental review was required.

C. **VIO 040-08903/1701-03**: License Condition (LC) 43 states that before engaging in any developmental activity not previously assessed by the NRC, the licensee shall administer a cultural resource inventory. All disturbances associated with the proposed development are to be completed in compliance with the National Historic Preservation Act (as amended) and its implementing regulations (36 CFR 800), and the Archaeological Resources Protection Act (as amended) and its implementing regulations. HMC failed to implement a cultural resources inventory before expanding the onsite and offsite groundwater corrective action program, which the NRC concluded was a violation of LC 43. The reason for this apparent violation was that HMC had assumed that no cultural resources inventory was necessary since this was a modification of an already approved licensed activity.

### **Corrective Steps that Have Been Taken**

Since the April 2017 inspection, HMC has undertaken specific actions to promptly address these violations, as described below. In addition, the root cause analysis being conducted in response to the March 2017 NRC Confirmatory Order will propose appropriate corrective actions to any address technical and systematic issues identified.

**A) Violation of License Condition 23** (procedures for handling, processing, or storage of radioactive materials; VIO 040-08903/1701-01)

Since the inspection, HMC is establishing SOPs for disposal of wastes in the onsite small tailings pile, operation of the evaporation ponds and operation of the 1200 gpm zeolite remediation system. These SOPs will be provided to NRC for verification of completion within 90 days of this letter.

**B) Violation of License Condition 16** (environmental evaluation of actions not previously assessed by NRC; VIO 040-08903/1701-02)

Regarding the failure of the SERP process perform a sufficient environmental evaluation for the expansion of the onsite and offsite groundwater correction program, HMC is undertaking several actions. First, HMC has revised its SOP 10 (*Procedure for Conducting a Safety and Environmental Review Panel (SERP)*). This revision now specifically identifies the requirements of 10 CFR Part 51.22 (Criterion for categorical exclusion) and Part 51.60 (Environmental Report - Materials Licenses) as part of the SERP process. Further, this SOP now explicitly states the following:

*“Any change to licensed activities that may result in a significant adverse environmental impact that was not previously assessed or that is greater than that previously assessed, significant expansion of the Site, significant change in types of effluents, significant increase in amounts of*

*effluents, significant increase in individual or cumulative occupational radiation exposure, or significant increase in the potential for or consequence from radiological accidents may not be authorized solely on the conclusion of the SERP Process and requires an Environmental Report or similar environmental review of all environmental considerations and analyses identified in 10 CFR part 51.45, and an amendment to the Radioactive Materials License.”*

**C) Violation of License Condition 43** (cultural resource inventory; VIO 040-0890311701-03).

As discussed in item “B” above, HMC has revised its SERP SOP 10 to more clearly define when environmental reviews, which include assessment of cultural resources, must be performed. This will ensure future compliance with license condition 43.

In addition, HMC will compile a summary report of all historical environmental and cultural resource surveys performed for the off-site well field injection areas of disturbance. This summary report will identify any areas and media where environmental considerations and analysis have not been completed. If analyses are lacking for these areas and/or media, HMC will perform the surveys to fill the data gaps. HMC anticipates submitting this summary report of existing environmental and cultural resource surveys to NRC by or before December 31, 2017. Completion schedule for the necessary surveys will depend on the scope of the survey and is not yet determined. HMC will consult with NRC on the findings of the summary report and will propose a schedule for completion following discussion with NRC.

HMC believes that these actions will address the NRC violations and will prevent their recurrence. Please feel free to contact me at your convenience if you have any questions regarding this submittal or require additional information.

Sincerely,



Thomas Wohlford  
Closure Manager  
Homestake Mining Company, Grants, NM

cc: Dr. Robert Evans, NRC (electronic copy)  
Matthew Meyer, NRC (electronic copy)  
Regional Administrator, NRC, Region IX (document)  
Michael McCarthy, Barrick Homestake (electronic copy)  
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