



Grants Reclamation Project

Homestake Mining Company of California

Thomas Wohlford
Closure Manager

November 15, 2017

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

040-08903

ATTN: Document Control Desk
Director, Office of Federal and State Materials and Environmental Management
Programs
U.S. Nuclear Regulatory Commission,
Washington, DC 20555-0001

ATTN: Mr. Mathew Meyer, Project Manager
Reactor Decommissioning Branch (Mailstop T-8F5)
Division of Waste Management and Environmental Protection
Office of Federal and State Materials and Environmental Management Program
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

ATTN: Mr. Kurt Vollbrecht
Ground Water Quality Bureau
New Mexico Environment Department
PO Box 5469
Santa Fe, NM 87502-5469

**Re: Notification of Exceedance of Licensed Operating Conditions and Corrective Actions.
License No. SUA-1471**

Dear Mr. Meyer:

This letter is to inform you that, during an internal review of operating requirements and recent operational performance data at the Grants Reclamation Project facility in Grants, New Mexico, Homestake Mining Company of California (HMC) identified that pumping rates in some portions of evaporation pond leak detection systems (LDS) of Evaporation Pond No. 2 (EP-2) and Evaporation Pond No. 3 (EP-3) were in excess of the requirements identified by reference in NRC License Condition 35D. Specifically, License Condition 35D, via reference to submittal dated 7/18/2007, identifies a leak detection performance criterion of 775 gallons per day per acre foot of storage (gpd/acre) as an Action Leakage Rate (ALR), above which specific corrective action measures are identified. The attached graphs show the gallons per day per acre foot pumped for EP-2, EP-3A (Basin A) and EP-3B (Basin B). Homestake has reported the LDS pumping data to NRC in its Semi-Annual Reports. However, in those reports, HMC has not specifically presented analysis of these data with respect to the license condition 35D performance criterion. HMC will begin to do so going forward.

NM5520

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original by
PM

Review of the LDS data indicates that the 775 gpd/acre ALR appears to have been exceeded for short periods during 2016 and 2017. HMC made successful liner repairs for Pond EP-3B in July 2016 which significantly reduced LDS pumping rates for that pond basin. More recently, in May-June 2017, HMC changed out the controls for the LDS for EP-2 and EP-3 from manual to automatic, replaced pumps and flow meters.

With respect to the short exceedances, HMC believes that the secondary liner systems have remained effective in containing and controlling all licensed 11e.(2) byproduct material in these ponds since storage began post repair. Although the ALR has been occasionally exceeded, HMC does not believe that there has been a discharge to the environment as no significant increase in site constituents of concern has been identified in the surrounding wells. HMC has not identified any condition that could result in any exposure potential to workers or the public, that would require restriction of access to the area to prevent unacceptable exposure, or that constitute a release or loss of control of licensed materials, and notes that a redundant containment system is present and performing to specification (secondary liners).

Additional corrective actions have already been initiated, including the following;

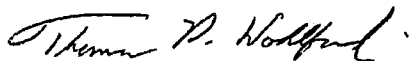
- lowering the water level in EP-2 by transferring to EP-1;
- performance of leak detection cell assessment to be performed by HMC;
- contacting Leak Location Services of San Antonio, Texas to perform leak detection services, and
- development of a standard operating procedure for LDS monitoring per applicable ALR criteria.

In addition, HMC has initiated application of its Root Cause Analysis Protocol and is currently executing the first three steps of this protocol, which are 1) preparation of site records, 2) information gathering through staff interviews, and 3) analysis of the information related to this matter using the 5-Whys Casual Factor Chart. HMC will promptly begin the fourth step (identify the root causes) and follow through with the development, implementation and efficacy assessment of any corrective actions.

Based on the results of the initial visual inspection, HMC will promptly develop appropriate additional corrective actions for mitigation or repair of the primary liner systems once those actions are informed upon completion of the Root Cause Analysis Protocol

HMC is respectfully requesting a conference call with the NRC to discuss this issue at your earliest convenience. Should you have any questions or comments regarding this issue or request, please contact me at twohlford@homestakeminingco.com or (505) 290-2187.

Sincerely,



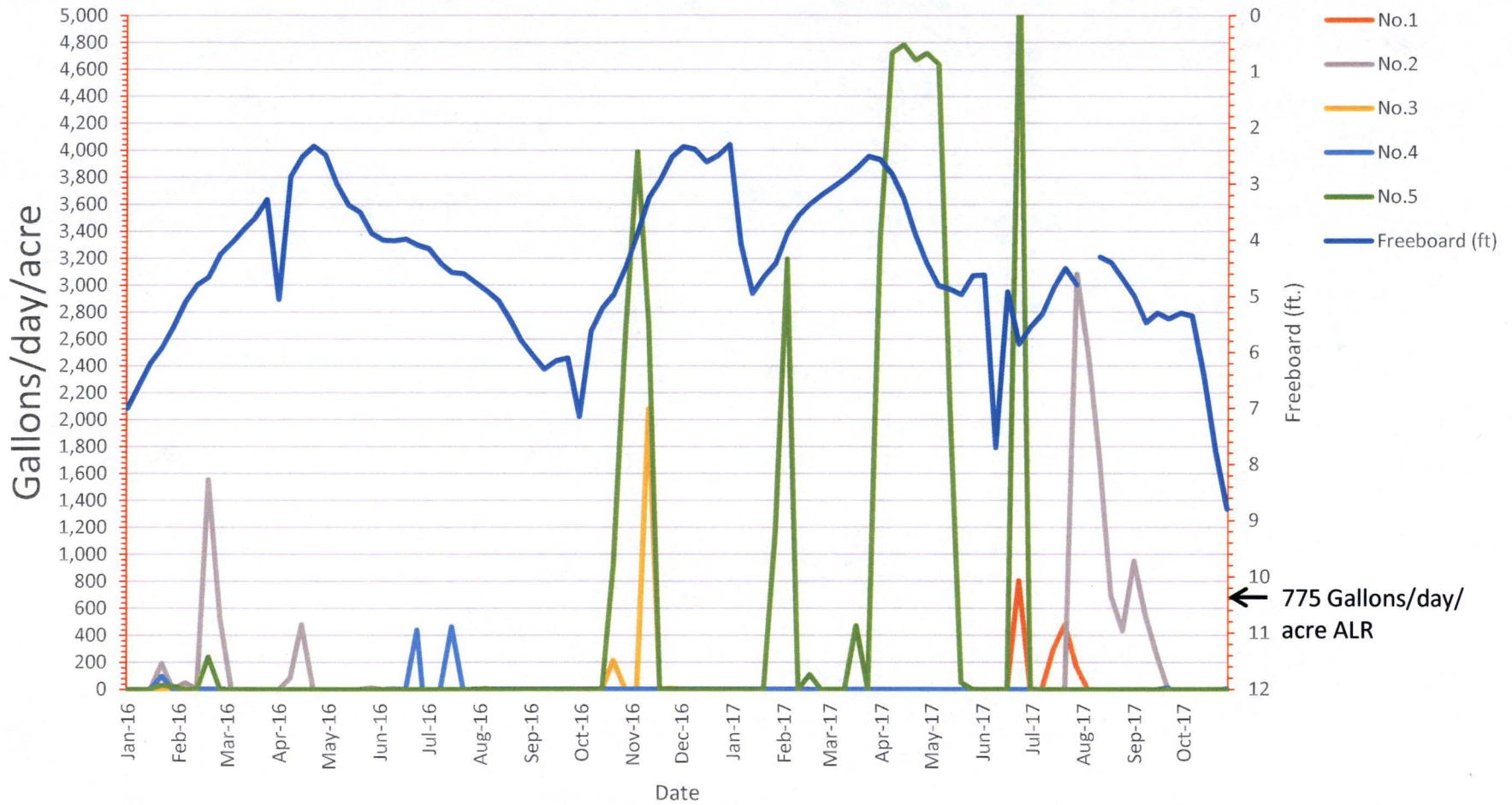
Thomas P. Wohlford
Closure Manager
Homestake Mining Company, Grants, New Mexico

cc:

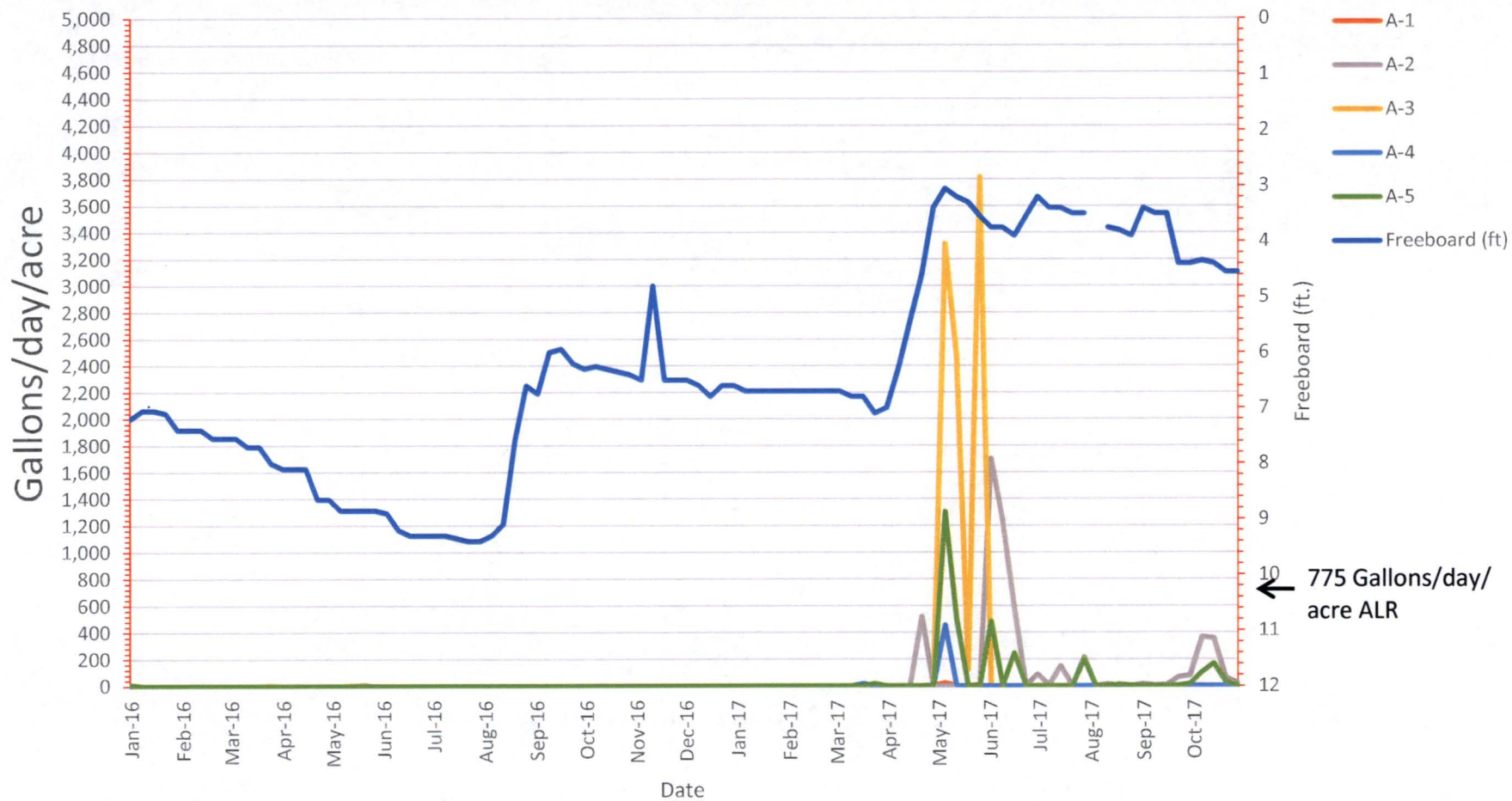
M. McCarthy, Barrick, Toronto, Ontario (electronic copy)
C. Burton, Barrick, San Francisco, California (electronic copy)

- H. Burns, Barrick, Toronto, Ontario (electronic copy)
- G. George, Davis Wright Tremain, San Francisco, California (electronic copy)
- R. Whicker, ERG, Albuquerque, New Mexico (electronic copy)
- G. Hoffman, Hydro-Engineering, Casper, Wyoming (electronic copy)
- A. Kuhn, Alan Kuhn Associates, Albuquerque, New Mexico (electronic copy)

Homestake Mining Company, Grants Reclamation Project, Evaporaton Pond No. 2



Homestake Mining Company, Grants Reclamation Project, Evaporation Pond No. 3A



Homestake Mining Company, Grants Reclamation Project, Evaporation Pond No. 3B

