



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

June 15, 2018

EA-16-114

Thomas Wohlford, Closure Manager  
Grants Reclamation Project  
Homestake Mining Co. of CA  
P.O. Box 98/Highway 605  
Grants, NM 87020

SUBJECT: CLARIFICATION TO THE U.S. NUCLEAR REGULATORY COMMISSION  
LETTER DATED DECEMBER 26, 2017 AND RESPONSE TO HOMESTAKE  
MINING COMPANY'S REQUEST FOR VARIANCE TO RELAX CERTAIN  
ORDER CONDITIONS

Dear Mr. Wohlford:

By letter dated December 26, 2017,<sup>1</sup> the U.S. Nuclear Regulatory Commission (NRC) granted an extension request submitted by the Homestake Mining Company of California (HMC, the licensee) in its letter dated November 17, 2017.<sup>2</sup> In its letter, HMC requested that the due date for the submission of the self-assessment described in Condition 3 of the March 28, 2017,<sup>3</sup> Confirmatory Order (CO) be extended from December 29, 2017, to September 3, 2018. The NRC granted this extension request based on HMC's letter showing good cause, pursuant to Section V of the CO. The purpose of this letter is to provide clarification to the NRC's letter dated December 26, 2017, and to respond to HMC's letter dated April 11, 2018,<sup>4</sup> wherein the licensee requested the NRC to relax CO Condition 4, Items b, c, and d, for certain actions. Based on HMC's letter showing good cause, and pursuant to Section V of the CO, the NRC grants the request to relax CO Condition 4, Items b, c, and d, as described below.

Following the issuance of the NRC's letter dated December 26, 2017, HMC contacted the NRC staff with questions regarding some of the language in the letter. Specifically, HMC requested clarification of the discussion on page 2 of the NRC's letter which stated, in part, that:

This [the submittal of HMCs self-assessment in parts over time] is necessary to ensure timely NRC review and approval of license amendments or procedure changes resulting from the self-assessment process before the revised date of September 3, 2018.

The provision "before the revised date of September 3, 2018," was made in error. Condition 5 of the CO does not require that NRC review and approve license amendments or procedure changes resulting from the self-assessment process before September 3, 2018. Rather, as

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<sup>1</sup> Agencywide Documents Access and Management System (ADAMS) Accession No. ML17340B340.

<sup>2</sup> ADAMS Accession No. ML17325B023.

<sup>3</sup> ADAMS Accession No. ML17060A752.

<sup>4</sup> ADAMS Accession No. ML18106A043.

stated in Condition 5 of the CO, all license amendment requests resulting from the CO must be submitted to the NRC within 60 days of receiving the results of the NRC staff audit of the HMC self-assessment, and all notifications of updates to procedures resulting from the CO will be made to the NRC by the end of calendar year 2018.

The NRC's December 26, 2017, letter also stated, in part, that:

Notwithstanding the NRC's approval of the extension request, a number of action items resulting from the August 31, 2017, draft self-assessment completed by HMC require NRC review and approval in the near-term. Specifically, Conditions 4 and 5 of the CO require the following sequential actions to occur: 1) HMC development of a draft self-assessment; 2) review of the draft self-assessment by an independent third party consultant; 3) NRC audit of HMC's self-assessment reviewed by the third party consultant; 4) HMC incorporation of any comments resulting from the NRC audit; and 5) submittal of any license amendments for NRC review and approval and notification of any procedure changes.

To clarify the discussion above, in accordance with Conditions 4 and 5 of the CO, the above stated steps 1-5 were required to be performed in sequential order prior to the submittal of any near-term action items to the NRC for review. Additionally, HMC stated that it would submit completed sections of the self-assessment that have undergone review by the independent third party consultant for the NRC audit. Subsequently, HMC informed the NRC staff that HMC no longer intends to submit the self-assessment in parts, and now intends to submit the self-assessment in its entirety prior to the current due date of September 3, 2018, with the exception of two specific license amendment requests that have already been submitted. The request to relax certain Order Conditions for these license amendment requests is further discussed below.

HMC's letter dated April 11, 2018, states, in part, that:

It is HMC's understanding that only the assessment and related proposed corrective actions identified in Condition 3 of the CO are required to be submitted for third-party review and evaluation prior to being submitted for NRC. This may include descriptions of the proposed corrective actions but not necessarily the complete amendment applications or revised procedures.

The NRC staff agrees with this statement. HMC is not required to submit complete amendment applications or revised procedures to the third-party reviewer.

Finally, the NRC staff reviewed HMC's letter dated April 11, 2018, requesting to relax Condition No. 4, Items b, c, and d of the CO for the following license amendment requests:

- Groundwater Monitoring Plan, dated November 20, 2017;<sup>5</sup> and
- Request for Amendment to License to Add Zeolite Water Treatment System, dated December 11, 2017.<sup>6</sup>

In its letter, HMC states, in part, that:

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<sup>5</sup> ADAMS Accession No. ML17361A006.

<sup>6</sup> ADAMS Accession No. ML18018A102.

HMC determined that these license amendments should be submitted prior to completion of the Self-Assessment as required by the [CO], Condition 3. HMC determined that these license amendments were needed in the near term and not required to go through CO Condition 4.”

The NRC staff disagrees that these license amendments are not required to be submitted in accordance with CO Condition 4. The scope of the self-assessment referred to in the CO includes all activities being performed (both currently licensed and not). Therefore, all license amendment requests for any issue are required to go through the sequential steps 1-5 as listed in the discussion above, unless HMC specifically requests and obtains relaxation from the CO Conditions.

With respect to HMC’s request to relax the CO Conditions for the two specified amendments, the NRC staff agrees that the HMC April 11, 2018, letter provides the requisite justification and basis for the relaxation being sought. The NRC staff also agrees that it would be beneficial to site safety and groundwater clean-up to implement these two amendments in the near term, rather than after HMC completes its self-assessment. Therefore, the NRC hereby grants HMC’s request to relax the requirements of Condition No. 4 Items b, c, and d of the CO. HMC must continue to comply with the CO by including the activities identified in these amendments in the self-assessment and third party audit process for further evaluation. If that process reveals needed changes, HMC should supplement the current license amendment requests or submit an appropriate amendment by the dates specified in the Order.

Enclosure 1 includes License Amendment No. 52, which modifies Condition 44 of License No. SUA-1471 to include a reference to this letter, which formally approves the request to relax the requirements described in Condition 4 of the CO.

In accordance with Title 10 of the *Code of Federal Regulations* 2.390 of NRC’s “Agency 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 ADAMS. ADAMS is accessible from the NRC Web site at: <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions regarding this letter, please contact me at (301) 287-9527, or by e-mail at [Anne.Boland@nrc.gov](mailto:Anne.Boland@nrc.gov).

Sincerely,

**/RA/ F. Peduzzi for**

Anne T. Boland, Director  
Office of Enforcement

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

Enclosure:  
1. Amendment No. 52 to License No. SUA-1471

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 ORDER CONDITIONS DATE: 6/15/2018

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**ADAMS Accession No.: Pkg.: ML18107A033 Ltr.: ML18107A034 \*via e-mail**

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