



Homestake Mining Company of California

David W. Pierce
Grants Reclamation Project
Closure Manager

May 29, 2019

Ron C. Linton
Project Manager/Hydrogeologist
U.S. Nuclear Regulatory Commission
Office of Nuclear Material Safety and Safeguards
MS T-5A10, 11545 Rockville Pike
Rockville, MD 20852

40-8903

Re: Notice of Deferral of Evaporation Pond 1 Re-Lining to 2020

Dear Mr. Linton:

As discussed on the call on May 21, 2019, Homestake Mining Company of California (HMC) has elected to defer the EP-1 re-lining project to 2020 from the original 2019 timeline. The addition of 24 Apex evaporators and the reduction of the treatment system throughput rates reduced the evaporation pond storage volume, but not to the extent needed for successful completion of the project in 2019. The reasons for the deferral are as follows:

- A cold and wet winter and spring have led to roughly 10 million gallons less evaporation in the first four months of the year in comparison to historical averages.
- The lack of evaporation early in the year has significantly shortened the window available to complete the re-lining project.
 - The lack of 2019 evaporation to date combined with a 35% loss of evaporative capacity by taking EP-1 out of service for relining in 2019 would result in an unrealistic five-month construction/regulatory approval window before running out of storage in EP-2 and EP-3.
 - If the project was to proceed in 2019 as planned, the RO and Zeolite Systems would require to be shut down for a minimum of eight weeks, which would result in plume migration. This risk is unacceptable; therefore, HMC proposes to defer the relining project to 2020.
- Deferring to 2020 allows for operation of both the Zeolite and RO systems at an average rate of 300 gpm each through the duration of the project. This continued operation mitigates the risk associated with system downtime and plume migration.
 - Continued operation of the RO and Zeolite systems at 300 gpm reduces the water inventory sufficiently to allow for a March 2020 construction start.
 - The water balance indicates that the storage and evaporation capacity of EP-2 and EP-3 would be able to accommodate the continued reduced throughput rates in 2020 and provide a 12-month window for construction and approval of the re-lining project.
 - The installation of hour meters for the Apex evaporators and transducers to measure pond levels will enable more accurate tracking and projection of the evaporation rate, allowing

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for a potential increase of the treatment system rates without negatively impacting the relining schedule.

HMC is committed to utilizing the reduced system throughput to address RO and Zeolite system maintenance and throughput constraints, facilitating increased throughput and availability once the relining project is completed in 2020. The following system maintenance projects are planned or currently underway.

- Clarifier #1 will be undergoing significant maintenance (per the current and original design and specifications) including: motor replacement, rake/shaft assembly replacement, radial launders replacement, base conversion to concrete versus gravel, and repainting.
- An additional microfiltration skid and build-out is currently being considered to increase throughput above the currently sustainable 600 gpm limitation of the current microfiltration system.
- Re-development of wells and ancillary piping maintenance is being evaluated to increase injection and collection capacity to greater than current treatment system throughputs.
- Aeration will be assessed and initiated on the zeolite trains to mitigate issues associated with algae growth during zeolite operation.

HMC remains committed to the successful remediation of the site. Deferring the relining project will provide an adequate construction and approval window for the relining project. Deferment will also mitigate the risks associated with a compressed schedule and avoid system shutdowns due to pond capacity constraints. HMC has notified the contractor and is updating the construction schedule to reflect the deferred start date.

Should you have any questions or comments regarding the project, please contact me at dpierce@barrick.com or (505) 283-9701.

Sincerely,

A handwritten signature in cursive script that reads "David W. Pierce".

David W. Pierce
Closure Manager
Homestake Mining Company, Grants, New Mexico

cc: Document Control Desk, NRC, Rockville, Maryland (hard copy)
A. Winton, NMED, Santa Fe, New Mexico (electronic copy)
M. Purcell, EPA, Dallas, Texas (electronic copy)
C. Thompson, NMOSE, Santa Fe, NM (electronic copy)
M. McCarthy, Barrick, Toronto, Ontario (electronic copy)
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