



12 July 2019

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

Regional Administrator
Materials Licensing and Decommissioning Branch
Division of Nuclear Materials Safety
Region IV
1600 East Lamar Boulevard
Arlington, TX 76011-4511

RE: Reply to a Notice of Violation – NRC Inspection Report 040-08903/2019-001 and Notice of Violation; Homestake Mining Company of California – Grants Reclamation Project – Docket No. 040-08903, License No. SUA-1471

Dear Regional Administrator:

Pursuant to the letter received on June 12, 2019 titled *NRC Inspection Report 040-08903/2019-001 and Notice of Violation*, Homestake Mining Company of California (HMC) has prepared the required responses below:

Notice of Violations (NOVs) are provided below in italics, followed by the HMC response.

- A. *Title 10 of the Code of Federal Regulations (10 CFR) 40.41(c) states that each person licensed by the Commission pursuant to the regulations in this part shall confine his possession and use of source or byproduct material to the locations and purposes authorized in the license. Materials License SUA-1471, Amendment 52, License Condition 16 states, in part, that before engaging in any activity not previously assessed by the NRC, the licensee shall prepare and record an environmental evaluation of such activity.*

Contrary to the above, in late-February or early-March 2019, the licensee failed to prepare and record an environmental evaluation before engaging in an activity not previously assessed by the NRC. Specifically, the licensee added approximately 12-15 gallons of an algaecide to the microfiltration break tank in the reverse osmosis system over the course of approximately 1.5 days without preparing and recording an environmental evaluation.

This is a Severity Level IV violation (Section 6.3).

HMC Response:

- HMC acknowledges the deficiency and has taken corrective action in the form of procedural steps that ensure that virtually any change in operational systems at the Site is evaluated for the need for an environmental evaluation and possibly a SERP

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evaluation (pre-project checklist, weekly site operations meeting, etc.). HMC leadership understands the importance of these evaluations and is committed to improving our systems to prevent recurrence. Additional professional staff training in this area is planned for Q3 and Q4 2019.

- B. *Materials License SUA-1471, Amendment 52, License Condition 32 states, in part, that the licensee shall follow the guidance set forth in Regulatory Guide 8.31, "Information Relevant to Ensuring that Occupational Radiation Exposure at Uranium Recovery Facilities will be As Low As is Reasonably Achievable (ALARA)," or NRC-approved equivalent.*

Contrary to the above, as of March 21, 2019, the licensee failed to follow the guidance set forth in Regulatory Guide 8.31, "Information Relevant to Ensuring that Occupational Radiation Exposure at Uranium Recovery Facilities will be As Low As is Reasonably Achievable (ALARA)," or NRC-approved equivalent. Specifically, the licensee failed to conduct weekly inspections of all facility areas and daily walk-through inspections of all work and storage areas to observe general radiation practices, provide three months of specialized training to its radiation safety technicians, and conduct fire drills on a semi-annual basis, as required by Sections C.2.3.1, C.2.4.2.2, and C.3.4 of Regulatory Guide 8.31 respectively.

This is a Severity Level IV violation (Section 6.3).

HMC Response:

HMC acknowledges the deficiency as listed above and pending NRC approval of a license amendment request (LAR) to replace generic citation of NRC regulatory guides in license condition 32, HMC is taking corrective actions to address this NOV as follows:

- Weekly site inspections of all facility areas by the Radiation Safety Officer (RSO) or Assistant RSO;
- Developing documentation procedures for Radiation Safety Technician (RST) daily walk-throughs of site facilities with potential for exposure to radioactive materials.
- Documenting that the primary RST (Kyle Martinez) has accumulated over two years of relevant higher education at an accredited university (transcripts available upon request) which, combined with 53 hours of formal RST training between May 2017 and March 2018 and his many years of direct RST experience at the Site, qualifies Mr. Martinez for the RST role under RG 8.31 specifications;
- Implementation and documentation of fire drills at the site immediately upon notice that fire drills were required under Regulatory Guide 8.31. Initial fire drill was completed on March 22, 2019 with the second drill scheduled on or before September 22, 2019.

While acknowledging this NOV, HMC notes that it attempted to pre-empt this deficiency through submittal of a LAR to replace generic citation of NRC Regulatory Guides in LC 32 with reference to HMC's updated Radiation Protection Program (RPP) Manual. The initial LAR was submitted on December 5, 2018 and subsequently withdrawn (letter dated April 12, 2019) after discussions with NRC regarding specific language. An updated RPP LAR dated June 19, 2019 was re-submitted and is pending NRC review.

HMC requests that this NOV remain open pending acceptance by the NRC of the recent RPP Manual LAR. Although substantially in compliance with LC 32, HMC recognizes that it cannot be completely in compliance pending acceptance of the RPP LAR request, which removes many of the outdated requirements relative to an active mill site.

C. Materials License SUA-1471, Amendment 52, License Condition 41 states, in part, that the licensee shall have procedures which will evaluate the consequences of the spill or incident/event against 10 CFR 20, Subpart M, and 10 CFR 40.60 reporting criteria.

Contrary to the above, as of March 21, 2019, the licensee failed to have procedures which will evaluate the consequences of an incident/event against 10 CFR 20, Subpart M, and 10 CFR 40.60 reporting criteria.

This is a Severity Level IV violation (Section 6.3).

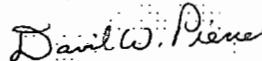
HMC Response:

HMC does not understand the violation as described by NRC and requests additional explanation for this NOV for failure to follow LC 41 requirements for the reasons below:

- HMC has an existing SOP for Spill Reporting and Response (SOP-21). SOP-21 (Revision 4, 11/26/2018) includes provisions for evaluation of the consequences of spills or other types of unplanned releases against 10 CFR 20, Subpart M, and 10 CFR 40.60 reporting criteria.

HMC appreciates your consideration of our responses in this matter. If you have any questions, please contact me via e-mail at dpierce@homestakeminingco.com or via telephone at 505.238.9701.

Respectfully,



David W. Pierce

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