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

JUL 12 1979

WMUR:PJG  
Docket No. 40-4492  
SUA-667, Amendment No. 5

Federal-American Partners  
ATTN: Mr. Ken Wright  
General Manager  
Gas Hills Star Route  
Riverton, Wyoming 82501

Gentlemen:

Pursuant to Title 10, Code of Federal Regulations, Part 40, Source Material License No. SUA-667 is hereby amended to authorize the raising of tailings dam No. 2 by adding Conditions Nos. 29, 30, 31, and 32 as follows:

29. The licensee shall construct the 15 foot lift on the existing tailings dam No. 2 to a maximum elevation of 6510 feet in accordance with the following documents, including all consultant recommendations, submitted in application for this lift:
  - a. Tailings Dams and Appurtenance Works, Area Information and Design Report for Application to Construct, Federal-American Partners, received October 31, 1977.
  - b. Geotechnical Investigation for the Proposed Extensions of Tailings Dams Numbers 1 and 2, by F. M. Fox & Associates, Inc. June 16, 1978.
  - c. Revision of Design for the Proposed Tailings Dam No. 2, by F. M. Fox & Associates, Inc., July 19, 1978.
  - d. Supplemental Geotechnical Investigation and Stability Analysis for the Proposed Tailing Dam No. 2, by F. M. Fox & Associates, Inc., April, 1979.
  - e. Letter from K. Wright, FAP to L. Rouse, NMSS, providing details of applicant's commitments to meet license conditions, dated October 24, 1978.
  
30. The licensee shall maintain the water level in pond No. 2 and the piezometric level in the tailings underlying the solids-retention dikes in the east and south parts of pond No. 2 below elevation 6490.

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31. The licensee shall perform moisture-density tests (ASTM D-698), Atterberg Limits Tests, and gradation tests during the construction of the lift on dam No. 2 at the frequency of at least one (1) test for every ten (10) field density tests. Field density tests shall be performed in accordance with reference B of Condition No. 29. The results of all quality control tests shall be submitted to NRC within six (6) months of completion of construction.
32. The licensee shall have in operation, at all times tailings are being discharged to the tailings impoundment, a flow rate sensor probe which shall be located at the discharge of the tailings line. Flow rates indicating a possible rupture of the tailings line shall result in the activation of alarm indicator lights located on the work deck of the leach section and the shift foreman's office. The probe shall be tested daily to insure proper operations.

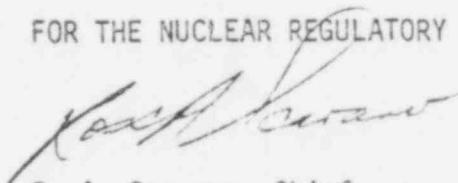
In addition, SUA-667 is hereby further amended by revising Condition No. 11 to read as follows:

11. The licensee shall conduct and document at least one inspection of the tailings embankments per day and shall immediately notify Region IV, U. S. NRC, Office of Inspection and Enforcement, Arlington, Texas, by telephone and telegraph of any failure in the dam retention system or tailings discharge system which results in a release of radioactive material. This requirement is in addition to the requirements of 10 CFR 20.

All other conditions of this license shall remain the same.

The above conditions were discussed and agreed to in a June 21, 1979 telephone conversation between your Mr. Jackson and Mr. P. Garcia of my staff.

FOR THE NUCLEAR REGULATORY COMMISSION



R. A. Scarano, Chief  
Uranium Recovery Licensing Branch  
Division of Waste Management