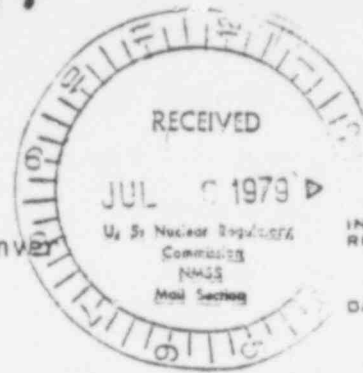


PDR

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FROM Karen H. Rasmussen AT
TO Distribution List AT

Denver

IN REPLY
REFER TO

DATE June 28, 1979

SUBJECT: Meeting with NRC regarding Licensing and EIS Process for the Mt. Taylor Uranium Mill Project.

On June 20, 1979, representatives of NRC and Oak Ridge National Laboratory (ORNL) met with Gulf personnel regarding NRC licensing of the Mt. Taylor mill tailings management program. The following persons were in attendance:

Gulf + consultants

R. E. Bohm
L. E. Lewis
K. H. Rasmussen
W. L. Rogers
J. J. Selters

NRC + consultants

Hub Miller
Minton Kelley - ORNL
John Nelson - CSU
Frank Young

Hub Miller stated that an official application to NRC must be submitted by Gulf. The application for a By-product Materials License will consist of the following: an application form, a copy of which will be forwarded to Gulf by Steve Mangor of NRC, and a volume similar to Vol. I of our NMEID license application, which will present information pertinent to tailings management. Gulf will be notified of the number of copies of the application which must be submitted. In addition, 15 copies of an Environmental Report (ER) must be submitted, with an additional 85 copies held in reserve and distributed by Gulf as instructed by NRC. There will be a licensing fee of approximately \$85-90,000, \$10,000 of which must be submitted up front with the license application.

The possibility of utilizing Gulf's application to New Mexico and merely crossing out information not pertinent to tailings management was discussed. NRC will explore the feasibility of our doing so. Gulf in turn, must decide whether this would be a prudent action. In any case, the ER must be amended with a thorough discussion of below-grade burial as an alternate tailings disposal method. This amendment should provide the results of the analyses performed pursuant to Attachment 2 (attached to minutes of NMEID/NRC/Gulf meeting). Minton Kelley stated that with the exception of the lack of an adequate discussion of below-grade disposal, Gulf's existing ER contained no major deficiencies.

Kelly detailed the EIS-licensing process as follows:

- 3 months to prepare ORNL first draft of EIS
- 1 month for editing and submission to NRC
- .5 months for draft EIS to be printed by NRC
- .5 months for public comment on draft EIS
- .5 months for review of public comments
- .5 months for publication of final EIS
- 1 month till issuance of NRC license.



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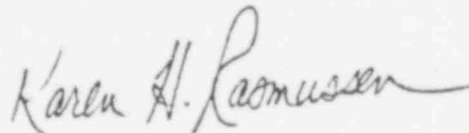
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As you can see, this involves a minimum of 10 months before NRC can issue a license. Assuming that the ORNL began their drafting work on June 1, Gulf could not reasonably expect to receive a license until March, 1980. In order to maintain this schedule ORNL must have all amendments to the ER concerning below-grade burial by the end of August, 1979. Furthermore, a scoping meeting to present proposed and alternate tailings management plans must be held this summer, preferably in Grants so that local people have a chance to voice their viewpoint on the project as proposed as well as any alternatives.

The meeting ended with brief discussions of several licensing related items, including reclamation bonding and ownership of the tailings disposal property. NRC stated that although a bond would be required to cover the cost of reclaiming the tailings disposal area, NRC would not impose such a bond if the state imposes one also. NRC also stated that ownership of the tailings disposal area is not required until November 8, 1981, but if you obtain a license which will still be in effect on that date, NRC will require that ownership be proven by that date.

If you have any questions or comments regarding these minutes, please contact the undersigned.



Karen H. Rasmussen

KHR:rw

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K. S. Barnhill
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