



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

PDR-DCS

MAR 4 1980

MEMORANDUM FOR: Ross A. Scarano, Chief  
Uranium Recovery Licensing Branch  
Division of Waste Management

THRU: John J. Linehan, Section Leader  
Uranium Recovery Licensing Branch

FROM: Daniel M. Gillen  
Uranium Recovery Licensing Branch

SUBJECT: MINUTES OF MEETING WITH ENERGY FUELS  
NUCLEAR, INC. CONCERNING THE WHITE MESA  
MILL AND HANKSVILLE ORE BUYING STATION,  
DOCKET NOS. 40-8681 AND 40-8675

Purpose

To discuss Energy Fuels Nuclear (EFN) submittals regarding Land Ownership and Surety Arrangement.

Place and Date

Silver Spring, Maryland, January 31, 1980.

Attendees

NRC - R. Scarano	P. Garcia	Energy Fuels - G. Glasier
J. Linehan	J. Kotsch	C. Brown
K. Hamill	D. Gillen	R. Adams
L. Person	R. Fonner	

Discussion

The meeting began with submittal of EFN's notification (hand delivered letter) 90 days prior to anticipated start-up of milling operations. This was provided in response to a cover letter request attached to EFN's license (SUA-1358).

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NRC staff stated their conclusion that EFN's agreement (a contract essentially constituting self-insurance) held by the Utah Department of Natural Resources is unacceptable since it does not provide assurance that, in the event of circumstances such as bankruptcy, reclamation and decommissioning will be performed. On the basis of this, EFN requested specific guidance concerning surety arrangements which would be acceptable to the NRC staff.

NRC informed EFN of their intention to handle surety arrangements in-house and indicated that the first step in obtaining surety approval is to agree upon a reasonable dollar amount for the surety. In pursuit of this, NRC pointed out the following inadequacies in EFN's cost estimate submitted on January 15, 1980, as the basis for the agreement with the State of Utah:

- a. It should be clearly stated that the basis for the estimates is the cost which an outside contractor would charge for performing the decommissioning and reclamation activities (this would include equipment costs, a reasonable profit, etc.);
- b. Estimated costs for a one time radiological survey to determine compliance following site decommissioning and decontamination must be included;
- c. The one time charge designed to cover the costs of long-term care (\$250,000 - 1978 dollars), required to be deposited prior to the termination of operations, must be included;
- d. Once the above items have been considered in the cost estimate, inflation which will likely occur over the first five years of operation (prior to the time of license renewal) must be factored in to arrive at the total amount of the surety.

NRC staff informed EFN that, notwithstanding the wording of Condition No. 29 of SUA-1358, the surety may be handled by the NRC rather than the Utah Department of Natural Resources.

EFN was then informed that although the timing requirement for submission of a surety arrangement for decommissioning and reclaiming their ore-buying station (as required by Condition No. 26 of their License No. SUA-1325) has been met, a review of their submission reveals that the additional information as stated above is required before NRC approval can be given.

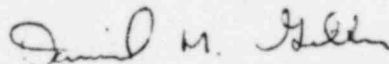
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EFN stated that they will submit revised cost estimates shortly. After receiving NRC approval of the surety amount, EFN will seek to obtain either a surety bond or an irrevocable letter of credit.

In accordance with License Condition No. 28, EFN has submitted documentation (dated November 12, 1979) that ownership of lands to be used for tailings disposal has been acquired. The documentation indicates, and this was confirmed by EFN during discussion, that only surface ownership of private lands has been obtained. EFN was informed that the staff's interpretation of the Uranium Mill Tailings Radiation Control Act of 1978 was that subsurface ownership was also necessary. We conclude that ELD will investigate the matter and provide us with a legal interpretation of ownership requirements.

EFN had informed the staff in a previous telephone conversation that they wish to install an additional crusher into the circuit at the ore-buying station. NRC indicated that there is no need for submission of an amendment under the existing ore buying station license. However, prior to the startup of milling operations, at which time the ore buying station activities will come under the mill license (SUA-1358), an amendment will be needed. Also NRC recommended that the amendment involve changes to License Condition No. 14 to replace existing circuit requirements with a more general flow diagram.

Finally, the subject of archeological site testing was discussed. EFN concluded that they might look into treating all archeological sites on the White Mesa project property as significant, and provide appropriate protection, rather than perform testing of sites currently of "undetermined" significance, as presently required by license condition.



Daniel M. Gillen, Project Manager  
Uranium Recovery Licensing Branch  
Division of Waste Management

cc: Mr. G. Glasier, EFN