



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

JUL 23 1980

WmUR:JLJ
Docket No. 40-8084

Rio Algom Corporation
ATTN: Mr. M. Lawton
Manager
La Sal Route
Moab, Utah 84532

Gentlemen:

This is in response to your letters dated May 5, and June 17, 1980, regarding your request to raise both the upper and lower tailings dams at your mill.

As stated in an April 28, 1980, letter to you from Mr. John Linehan of my staff, the only raise we can consider at the present time is an interim five foot raise to your upper dam. Detailed evaluation of your request for a twenty-five foot dam raise on your lower dam can not be considered until completion of our environmental assessment of the Dames & Moore alternative study, submitted by your letter dated March 28, 1980.

We are presently in the process of awarding a contract to a consultant to review the Dames & Moore alternative study and expect this review to be completed in approximately six months. I would like to remind you that during a conversation with Mr. Pullen of your Canadian offices on July 2, 1979, we made it clear that the required NEPA evaluations of your alternative study would take from six to nine months following submittal of a formal application with sufficient supporting documents. No action can be taken on your request for the twenty-five foot raise until completion of this environmental review; and then only if our review shows that raising the lower dam twenty-five feet is the preferred alternative. In addition, if our alternative review shows that the twenty-five foot raise is the preferred alternative, a detailed stability analysis would have to be submitted by you for our review. Our review of this stability analysis could take up to four months.

Regarding the interim five foot raise of the upper dam, upon receipt on May 5, 1980, of your check to cover the license fee we initiated our review of this dam raise. To date, however, we have not received a stability analysis from you to support your request for the five foot

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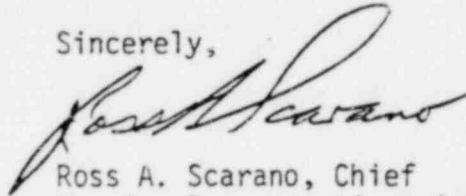
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raise. As indicated by Mr. Linehan in his telephone conversations on July 2, 1980, with your Mr. Lawton and Mr. Boddy of Dames & Moore and as previously discussed with Mr. Pullen in July, 1979, such an analysis must be performed and submitted to us before we can proceed with our review of any dam raise.

We understand that Rio Algom intends to submit the supporting stability analysis for the five foot raise by late July, 1980. We expect to be able to make a decision within 30 days following receipt of the submittal assuming it contains all the necessary information. However, please note that the timeliness of our evaluation and decision is dependent on the timeliness, completeness, and quality of your submittal.

I hope that this clarifies exactly where we stand on the review of your dam raise requests and the types of reviews that must be conducted prior to our making any decisions on your requests. If you have any questions of this matter, please contact Mr. Linehan as soon as possible.

Sincerely,



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

cc: Mr. P. Pullen, Rio Algom
Mr. J. Boddy, Dames & Moore