



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

PDR

MAR 10 1981

WMUR: PJG
Docket 40-3453

Atlas Minerals
ATTN: Mr. R. R. Weaver
P. O. Box 1207
Moab, Utah 84532



Gentlemen:

This is in response to a letter from your Mr. Swanby dated January 15, 1981 regarding unresolved issues between the USNRC and Atlas Minerals. I trust our responses will bring you up to date on the status of these issues.

As you recall, the unresolved issues, as presented in your January 15 letter, were previously discussed in a December 11, 1980 meeting and a subsequent meeting on February 6, 1981 between Atlas and the NRC and in telephone conversations on March 2 and 3, 1981 between yourself and Mr. Harry Pettengill of my staff. The status of the issues is as follows:

- 1) Request to amend License Conditions No. 25(d), 36, and 45, of Source Material License SUA-917.

Status: The amendment authorizing these requested changes to the Atlas license was issued on February 6, 1981.

- 2) Request for an 18-foot lift to the existing tailings impoundment.

Status: As we discussed during our above referenced meetings and telephone conversations, Atlas must submit for NRC review the analyses regarding dam stability, surety, and reclamation before a lift could be considered. You have agreed with these instructions and responded that NRC should expect submittal of these analyses by Fall 1981. In addition, as indicated in our letter of May 7, 1980, Atlas must submit additional fees in accordance with 10 CFR Part 170 before the NRC review can be initiated.

- 3) Request for determination of need for riprap as required by License Condition No. 16.

Status: As agreed at the December 11, 1980 meeting, Atlas must submit a detailed design for the riprap to NRC for review. Additionally, you stated in the telephone conversation of March 3, 1981 that Atlas would submit the detailed design for the riprap by May 1, 1981. The submittal of the design should include a fee of \$3500 for a minor safety and environmental amendment.

C 81031801100

MAR 10 1981

Comment: As you are aware, the NRC must be reasonably assured that any tailings pile when reclaimed would exhibit stability over the long term. We feel that properly designed and placed riprap is essential for providing this long-term stability for your tails impoundment because of existing topography and water drainage conditions at the site.

- 4) Request to increase yellowcake production at the Moab Mill above the 850 metric tons currently authorized.

Status: As specified in our letter of September 10, 1980, the environmental assessment upon which the issuance of Source Material License SUA-917 is based used a specific yellowcake output of 850 metric tons in the analyses and, accordingly, the NRC will amend the existing License Condition No. 11 to remove the word "average". Also, NRC transmitted, by letter dated February 4, 1981, a list of the additional information we would require before a determination could be made on your earlier request to increase yellowcake production to 950 metric tons per year. However, on the basis of the telephone conversation of March 2, 1981, we understand that Atlas no longer desires to proceed at this time with an amendment to increase allowable U_3O_8 throughput. If at a later date, Atlas would desire to increase its U_3O_8 production, then the information required in the February 4, 1981 letter, would still apply.

- 5) Request for NRC methods used to evaluate groundwater monitoring program.

Status: NRC used graphs of monitor well data submitted by Atlas Minerals in formulating our initial concerns about the adequacy of the existing well monitoring program, which were transmitted in our October 24, 1980 letter. Copies of these graphs were given to Atlas representatives during the December 11, 1980 meeting.

Comment: These above referenced graphs show unusually large fluctuations in well data. As stated in our October 24 letter, these large fluctuations are probably due to improper water quality sampling, preservation, and analysis. Our October 24 letter also provided recommendations on proper sampling techniques. As indicated by Atlas in a letter dated November 10, 1980, these techniques should have been, but were not, utilized in the past. We therefore have reservations concerning the validity of groundwater data submitted by Atlas Minerals to date.

MAR 10 1981

We feel that the only way to resolve the issue of groundwater impacts from the tailings impoundment is by completion of the groundwater studies requested in our October 24 letter. It was agreed at the December 11 meeting that Atlas would submit for NRC review and approval details of the program for completing the groundwater studies. This information was formally requested by letter dated January 12, 1981. As agreed in the telephone conversation of March 3, 1981, Atlas will submit by April 1, 1981 the details of a proposed groundwater study for review by NRC.

6) Information on Surety Arrangement.

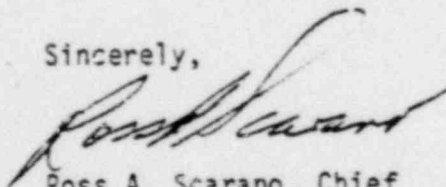
Status: It is our understanding from the meetings on December 11, 1980 and February 6, 1981, that Atlas intends to submit to NRC a specific reclamation plan to meet the requirements of the existing license and/or the new regulations and that Atlas intends to obtain a bond against the specific reclamation plan.

7) Information on the new regulations.

Status: The dates for briefing sessions with industry on the new requirements referred to in our December 11, 1980 meeting have not been finalized. Atlas will be informed on this activity well in advance as the plans become finalized.

There is one additional item not included in your letter of January 15. This involves Atlas' responses of December 29, 1980 and January 9, 1981 to an NRC request of November 25, 1980 for environmental monitoring data not previously submitted to NRC, as required by License Condition No. 43 of your license. Our review of the data contained in your responses indicates that all required data has now been submitted. We do request, however, that all future submittals of data required by Condition No. 43 be reviewed closely by Atlas prior to submittal to ensure that all environmental monitoring data required by License Conditions 37, 39, 42 and 43 are included, so as to avoid the same circumstances in the future.

Sincerely,



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