



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

MAY 15 1981

PDR
Docket 40-8714



WMUR:40-8714
SUA-1352

Cleveland Cliffs Iron Company
ATTN: Mr. Truman E. Louderback
P.O. Box 3140
Casper, Wyoming 82602

Gentlemen:

This letter is to officially confirm that you are fully aware of the requirements of Condition 17 of your source material license. These requirements were discussed at length during a visit by my staff to your site on April 9, 1981.

License Condition 17 requires that after an excursion situation has existed for 120 days you stop injection of lixiviant in the area and initiate restoration procedures unless you have given evidence showing that corrective actions initiated because of the excursion are working. Regarding the ongoing excursion at monitor well 238, this evidence must both be received and have NRC concurrence by May 25, 1981 or restoration procedures for pattern area B must be initiated.

From the evidence the NRC has received to date there is no indication that corrective actions initiated thus far have been effective in controlling the excursion at monitor well 238. In addition, we have just received your letter of May 7, 1981, informing the NRC of an excursion occurring at monitor well 241. We are greatly concerned that the excursion has become a major, uncontrolled event. The reasons for our concern are as follows:

1. The apparent excursion axis between monitor well 238 and 241 is aligned with the major axis of transmissivity.
2. Cleveland Cliffs design and operational concept of balanced injection/production rates eliminates the excursion control potential of overproduction, which is used virtually industry wide.

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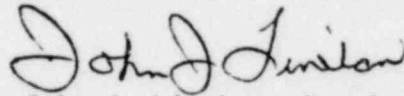
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3. Restrictions on the quantity and quality of wastewater to the wastewater drain field appears to preclude Cleveland Cliffs from the large scale withdrawals necessary to pull excursion waters back into the test pattern area without either exceeding those restrictions or foregoing future production and initiating restoration.

We are looking forward to your prompt action on this matter. Should you have any questions, please do not hesitate to contact us.



John J. Linehan, Section Leader
Operating Facilities Section I
Uranium Recovery Licensing Branch
Division of Waste Management

cc: J. Hollister, CCIC
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M. Hulbert
WDEQ