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THE STATE OF WYOMING

MIKE SULLIVAN
GOVERNOR

RETURN ORIGINAL TO PDR, HQ.



Department of Environmental Quality

210 Lincoln Street • Lander, Wyoming 82520

Air Quality Division
(307) 332-3144

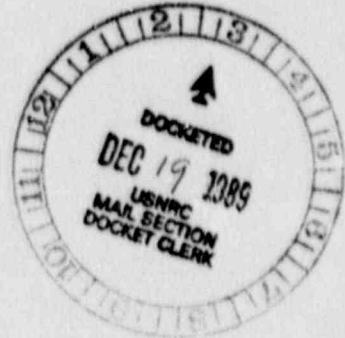
Land Quality Division
(307) 332-3047

Solid Waste Management Program
(307) 332-3144

Water Quality Division
(307) 332-3144

December 14, 1989

Ms. Dawn Jacoby
U. S. Nuclear Regulatory Comm., Region IV
Uranium Recovery Field Office
P. O. Box 25325
Denver, CO 80225



RE: American Nuclear, Mine Permit No. 352, Request for Bond Reduction

Dear Ms. Jacoby:

Enclosed is ANC's December 7, 1989 request for bond reduction based on completion of the second phase reclamation work. Also attached is some background correspondence for your information.

Please let me know as soon as possible whether you agree with the reduction. Also please give me the current Criterion 10 retainer amount so that it can be factored into the calculation.

Sincerely,

Mark Moxley
District II Supervisor

MM:mm

Enclosure

xc: Rick Chancellor - Cheyenne DEQ-LQD

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DESIGNATED ORIGINAL

Certified By Mary C. Hood

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NRC

AMERICAN NUCLEAR CORPORATION

December 7, 1989

JOHN C. FERGUSON, PRESIDENT
TELEPHONE (307) 265-7912

314 WEST MIDWEST AVE
PO BOX 2713
CASPER WYOMING 82602

Mark Moxley
Wyoming Department of Environmental Quality
Land Quality Division
District II
210 Lincoln Street
Lander, WY 82520

Re: Permit No. 352

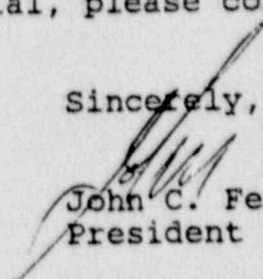
Dear Mark:

American Nuclear has completed the Tailings Pond No. 2 Reshaping phase of its Gas Hills mill reclamation. This work phase and the costs were detailed in our August 15, 1989 letter to Roger Shaffer. Upon your acceptance of the satisfactory completion of this work phase funds in the amount of \$470,355 should be released from the bond.

Enclosed for your review are cross-sections showing the trailings re-shape and tailings fill areas, together with a site plan map. The cross-sections show the existing elevations, tailings reshape and tailings fill elevations and the design elevations. The site plan map shows the extent of the tailings reshape and fill areas.

Should you have any questions regarding the reclamation work or the enclosed material, please contact Bill Salisbury.

Sincerely,


John C. Ferguson
President

JCF/mk

cc: NRC
Roger Shaffer





THE STATE OF WYOMING

MIKE SULLIVAN
GOVERNOR



Department of Environmental Quality

Herschler Building • 122 West 25th Street • Cheyenne, Wyoming 82002

Administration (307) 777-7937	Air Quality Division (307) 777-7391	Land Quality Division (307) 777-7756	Solid Waste Management Program (307) 777-7752	Water Quality Division (307) 777-7781
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August 31, 1989

Mr. John C. Ferguson
American Nuclear Corporation
P. O. Box 2713
Casper, WY 82602

RE: Permit No. 352, Potential Bond Reduction for
Tailings Pond No. 2 Reshaping

Dear Mr. Ferguson:

Your letter of August 15, 1989 accurately summarizes our understanding relative to the bond amount for the Tailings Pond No. 2 Reshaping Phase. Upon completion of this phase of the work, we will release \$470,355.

We would also remind you that all suitable soil materials which may be impacted by the regrading (e.g. the reclaimed area on the east side of the road) must be salvaged and stockpiled.

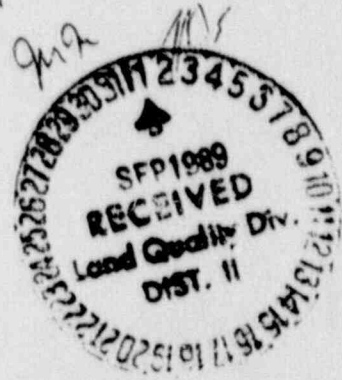
If you have any questions regarding this matter, please contact Mr. Moxley in the Lander office.

Sincerely,

Roger Shaffer
Administrator
Land Quality Division

RS/MM:mm

xc: Mark Moxley - District II, Lander
Howard Rose - NRC Denver



AMERICAN NUCLEAR CORPORATION

August 15, 1989

JOHN C. FERGUSON, PRESIDENT
TELEPHONE (307) 265-7912

314 WEST MIDWEST AVE
PO BOX 2713
CASPER WYOMING 82602

Roger Shaffer, Administrator
Wyoming Department of Environmental Quality
Land Quality Division
Herschler Building
122 West 25th Street
Cheyenne, WY 82001



Re: Permit No. 352

Dear Roger:

I am writing to confirm our understanding regarding satisfactory completion of phases of reclamation work and a corresponding release of funds from American's cash reclamation bond. In that regard, American intends to commence work on the Tailings Pond No. 2 Reshaping phase. The specific items associated with that phase and their costs are as follows:

Tailings Pond No. 2 Reshaping Phase

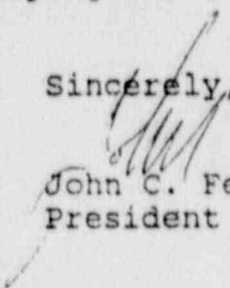
Tailings reshaping (442,875 cu yds @ \$0.71)	\$314,441
Cover material (38,962 cu yds @ \$0.58)	22,598
Fence removal:	
5' chain link (2,600' @ \$1.27)	3,302
4 strand barbed wire (3,100' @ \$0.62)	1,922
Mobilization (4.8%)	16,429
Radiation Safety/Monitoring (4.7%)	16,086
Engineering/Quality Control (3.5%)	11,979
Project management (6.5%)	22,247
Subtotal	409,004
Contingency (15%)	61,351
Total	\$470,355

Tailings material from the approximate south half of Tailings Pond No. 2 will be removed to six feet below final grade to insure six foot of cover over the tailings material while conforming to the approved reclamation elevations. Tailings material removed from the Pond will be placed along the south side of the Tailings Pond. (See enclosed Reclamation Plan.) The recontouring and placement of tailings will effect 40.3 acres which will be covered with approximately 6 inches of cover material to reduce the possibility of wind blown tailings contamination between the completion of this reclamation phase and the tailings cover phase planned for the next construction season. Fencing will be removed from the construction areas and topsoil will be salvaged from areas where tailings material is placed.

The Tailings Pond No. 2 Reshaping phase, as described herein, differs from the phase submitted in our April 20, 1989 Annual Report in that we have added 6 inches of cover material to the phase. The six inches of cover material (38,962 cubic yards) was previously accounted for in the Tailings Pond No. 2 Construction Phase. The per yard cost for placing the cover material remains the same.

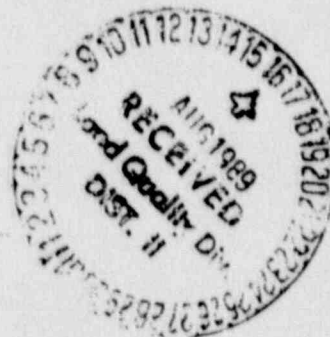
It is American's intention to begin work on this phase in early September, with completion in December. Please advise at your earliest convenience as to your acceptance of this work phase and confirm DEQ's approval to release \$470,355 from American's reclamation bond upon the satisfactory completion of the Tailings Pond No. 2 Reshaping Phase.

Sincerely,


John C. Ferguson
President

JCF/WCS/mk

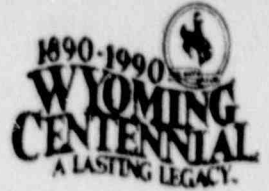
cc: Mark Moxley - DEQ/LQD-District II





THE STATE OF WYOMING

MIKE SULLIVAN
GOVERNOR



Department of Environmental Quality

Herschler Building • 122 West 25th Street • Cheyenne, Wyoming 82002

Administration
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(307) 777-7391

Land Quality Division
(307) 777-7756
FAX (307) 634-0799

Solid Waste Management Program
(307) 777-7752

Water Quality Division
(307) 777-7781

August 14, 1989

Mr. John Ferguson
American Nuclear Corporation
P.O. Box 2713
Casper, WY 82602

RE: Bond Amount for Permit No. 352

Dear Mr. Ferguson:

The Land Quality District II staff conducted an inspection on June 22, 1989, and found the first phase (building demolition) of reclamation completed. In accordance with W.S. 35-11-411(d) the bond amount is set at \$3,524,340.00. This represents a decrease of \$261,501.00 from the current amount. It is suggested that the GNMA portion of your bond package be reduced by the \$261,501.00 to accomplish this current one time reduction.

Should you have any questions, please contact:

Mark Moxley, District II Supervisor
DEQ - Land Quality Division
210 Lincoln St.
Lander, WY 82520

Sincerely,

Dennis Hemmer
Director
Department of Environmental Quality



DH:PJ:gd

cc: District II ✓
1st Interstate Bank, Casper - Brian Jones

Copy sent to Howard Rose - NRC 10/11/89

ANNUAL INSPECTION REPORT

RE : American Nuclear, Permit No. 352
DATE : June 22, 1989
PARTICIPANTS : Mark Moxley - Lander DEQ/LQD
Bill Salisbury - American Nuclear
PREPARED BY : Mark Moxley, District II Supervisor *MM*

Background

American Nuclear's annual report was received on April 21, 1989 and it covers the time period for April 1988 to April 1989. This permit covers the ANC millsite, associated tailings ponds, campsite and old pits and spoil areas. The total area under this permit is approximately 1,080 acres. Approximately 110 acres of land has been reclaimed in the following areas: 48 acres of spoil north of the Sagebrush pit, 33 acres on the west side of the rerouted Willow Springs Draw and 29 acres in the campsite. The 33 acres of reclamation adjacent to Willow Springs Draw has been judged successful and has been released for bonding. These reclaimed areas are shown in the attached photos.

Reclamation During the Report Period

As reported in the annual report, ANC completed the interim cover placement on tailings pond No. 1. They also contoured the dam embankment and excavated drainage ditches to minimize ponding of precipitation on the pond area. The demolition of the mill and all associated structures has now also been completed as shown in the attached photographs. A new office site/staging area has been established on the top of the ridge between the two tailings ponds. This site will be utilized by ANC and contractors in conjunction with the reclamation work to be conducted on pond areas and the millsite.

Inspection

The inspection began with the millsite area. As shown in the attached photos everything is down and buried. The red trailer has been moved to the new staging area between the two tailings ponds. Electrical power has been disconnected at the millsite and the remaining electrical substation will be removed by Hot Springs REA. No problems were noted and ANC's bond can now be reduced to credit them for the millsite demolition phase of the project.

Ann. Insp. Rep.
ANC, 352
6/22/89
Page Two

At tailings pond No. 1 it was noted that two sprinklers were running intermittently off Well R-4 below the tailings dam. The sprinklers were only wetting a small area on the west side of the tailings. ANC reported that they had cemented the bottom four feet of Well R-4 to keep from pumping the lower aquifer zone.

Next we proceeded to the so-called "48 Acre" reclamation area north of the Sagebrush pit. Generally this area, which was seeded in 1985 is doing well with only some minor gullying observed. In particular the southern hilltop has vegetated very well. Problems resulting from runoff and deposition of windblown material from adjacent disturbed areas will need to be watched in the future.

The campsite area likewise has revegetated well and most of the trees and large shrubs are still surviving (see photos). This area was seeded in 1984 and 1985. A large tank has been set up on the northern end of the campsite for use as an equipment storage building.

We drove down the east side of the Willow Springs Draw Diversion to evaluate the stability of the channel and to look at a possible new access road alignment in that area. This mile long diversion channel was constructed in 1984. The 33 acres of reclamation on the west side of the Draw was judged successful and has been released from bonding. The diversion channel appears quite stable (see photos) with braided and meandering flow paths developing. Only minor bank erosion is evident on the outside of the meanders. Hydraulic jumps at both the upstream and downstream ends of this diversion will need to be addressed as site reclamation proceeds.

We discussed the possible alignment of a new access road which will be needed to replace the current road on the west side of Willow Springs Draw. That road will be buried and reclaimed in conjunction with the tailings pond No. 2 reclamation. A future meeting with BLM and other property owners is suggested to discuss this issue. One alternative would be to construct a new road on the east side of Willow Springs Draw.

The inspection concluded with no compliance problems noted.

Annual Report Review

In the annual report (p.12-22) ANC has provided descriptions of the eight phases of reclamation work and a time schedule for completion of the work. The first phase, mill demolition and burial, has been completed. It has been noted that Phases 2-4 will entail salvage of topsoil resources in the areas to be affected by recontouring and construction. The eight phases at the project are acceptable and will be used for incremental bond release purposes. As a phase is completed and accepted, the bond release will follow.

Bond Evaluation

The last bond evaluation was contained in Mr. Moxley's memo of November 8, 1988. ANC's April 1989 annual report contains a detailed breakdown of costs for each phase of the reclamation as summarized below:

1. Mill Demolition	\$ 153,885
2. Tailings No. 2 Reshaping	446,995
3. Tailings No. 2 Construction	1,383,391
4. Tailings No. 1 Construction	696,644
5. Tailings No. 2 Topsoil & Reveg.	296,582
6. Tailings No. 1 Topsoil & Reveg.	86,531
7. Borrow/Drainage Topsoil & Reveg.	116,500
8. General Site Work/Fencing	30,403
Reveg. Retainer (67 Acres @ \$300)	20,100
NRC Criterion 10 (1/89)	<u>447,194</u>
TOTAL	\$3,678,225

Each of the eight phases includes a total of 34.5% for overhead and contingency.

The bond evaluation contained in the annual report and summarized above is acceptable and with the completion of the mill demolition phase, the bond requirement is now set at \$3,524,340. This represents a reduction of \$261,501 from the current level of \$3,785,841.

MM:fi

xc: Rick Chancellor - Cheyenne DEQ/LQD
NRC, Denver

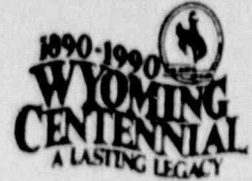


THE STATE OF WYOMING

MIKE SULLIVAN
GOVERNOR

NRC 697

Dist. 2



Department of Environmental Quality

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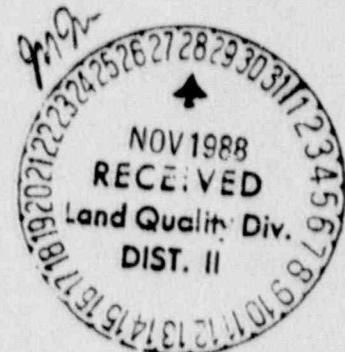
Land Quality Division
(307) 777-7756

Solid Waste Management Program
(307) 777-7752

Water Quality Division
(307) 777-7781

November 22, 1988

Mr. John C. Ferguson, President
American Nuclear Corporation
P. O. Box 2713
Casper, WY 82602



RE: Bond Amount for Permit 352 and Incremental Release Process

Dear Mr. Ferguson:

Based on information provided in Mr. Andrus' letters of September 22, 1988 and October 31, 1988, and after an on-site inspection was conducted on November 1, 1988, the bond amount for this permit is set at \$3,785,841. Since the current market value of your bonding package corresponds very closely to the required amount, no release of bond funds is authorized.

In response to your letter of September 22, 1988, I can assure you that the bond requirement will be reduced as discrete phases of the reclamation work are completed. Bond release will be handled as follows:

1. American Nuclear will bid out the work which will conform to the NRC and DEQ approved reclamation plan and which will be divided into a maximum of eight discrete phases as outlined in your letter. The work to be completed in each phase must be specified in detail.
2. If the contractor obtains a license to mine and posts a reclamation bond on DEQ forms, then ANC's bond will be reduced by that amount.
3. Upon completion of any given phase of the project, ANC's and/or the contractor's bond(s) will be reduced by an amount corresponding to the appropriate line item(s) contained in our most current bond evaluation. Appropriate percentages of mobilization, radiation/safety, engineering, project management and contingency line items will also be released. Mr. Moxley's evaluation dated November 8, 1988 shall be the basis for any releases during the coming one year time period.

John C. Ferguson
American Nuc., #352
Page Two

4. American Nuclear shall at all times be required to hold sufficient bond to cover the following:

a. Revegetation retainer of \$300 per acre on 67 acres of land outside of the mill and tailings area.

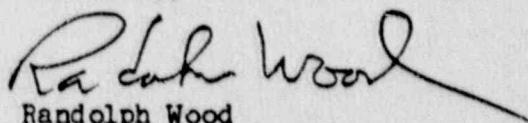
b. Revegetation retainer of \$1,000 per acre on approximately 340 acres of land to be reclaimed in the mill and tailings area.

c. NRC Long Term Care and Maintenance (Criterion 10) as adjusted for inflation.

The revegetation retainer will be held for a period of at least five years from the date of seeding in order to assure erosional stability and proper revegetation.

I expect that this will provide you with the assurances needed to proceed with this project. If you have any questions, please contact myself or Mr. Moxley in the Lander office.

Sincerely,



Randolph Wood
Director
Dept. of Environmental Quality

RW/MM:mm

xc: District II, Lander
Rick Chancellor - Cheyenne DEQ-LQD
Dale Smith - Nuclear Reg. Comm., Denver

