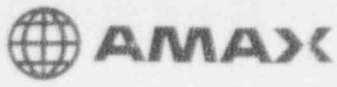


40-8820



November 5, 1993

CERTIFIED MAIL No. P 847 208 387

U.S. Department of Energy  
Albuquerque Field Office  
Director of Finance  
P.O. Box 5400  
Albuquerque, New Mexico 87185

Re: AMAX Parkersburg, West Virginia, Site Transfer Funding

Dear Sir or Madam:

As directed in the letter dated October 29, 1993, from the Manager of the DOE Grand Junction Projects Office, transmitted herewith is a check in the amount of \$230,000 payable to the U.S. Department of Energy. This is payment in full of the financial arrangements for the subject site transfer from AMAX to the U.S. Government, as required by Section 151(c) of the Nuclear Waste Policy Act of 1982. The amount of this payment for the financial arrangements for the site transfer was previously agreed to by the Nuclear Regulatory Commission, DOE and AMAX.

AMAX has satisfied the requirements of NRC for decontaminating and stabilizing the low level radioactive waste at the subject site. The NRC published a notice in the Federal Register on March 24, 1993 (58 Fed. Reg. 15886) that stated AMAX Inc. had satisfied the conditions and requirements of Section 151(c) of the Nuclear Waste Policy Act and that upon receipt of appropriate conveyance documents from DOE, license No. SMB-1418 issued to AMAX for site decontamination and stabilization will be terminated. Copies of the conveyance documents have been provided to DOE and are currently being reviewed at DOE headquarters.

In order to complete the site transfer, AMAX is transmitting under separate cover the conveyance documents, including a general warranty deed for the stabilization area from AMAX Inc. to the U.S. Government, to Douglas G. Mills, Acting Chief, Acquisition Branch, Real Estate Division, Corps of Engineers, Huntington, West Virginia, for review and recording. Copies of these conveyance documents are also being provided to Pete Montoya, DOE, Albuquerque Field Office. By copy of the transmittal letter to John H. Austin, Chief Decommissioning and Regulatory Issues Branch, Division of Low Level Waste Management and Decommissioning, Office of Nuclear Material Safety and Safeguards, NRC, AMAX will request that license SMB-1418 be terminated with respect to AMAX Inc. as the licensee.

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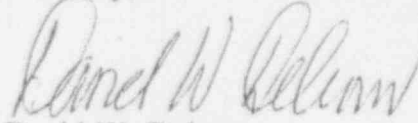
**Amax Resource Conservation Company**  
1626 Cole Boulevard, Golden, Colorado 80401-3293 USA  
Telephone (303)-234-9020, Facsimile (303)-231-0230

NLD 11

U.S. Department of Energy  
November 5, 1993  
Page 2

Please call the undersigned at (303) 231-0210 if you have any questions regarding the enclosed payment.

Sincerely,



David W. Delcour  
President

DWD/jb

Enclosures:

1. Check in the amount of \$230,000
2. Photocopies of documentation

cc: John Austin, NRC  
Peter Keppler, Popham Haik Schnobrich & Kaufman, Ltd.  
James Kerrigan, Amax Resource Conservation Company  
David Mathes, DOE Headquarters, Washington, DC  
Doug Mills, Corps of Engineers, Huntington, WV  
Pete Montoya, DOE, Albuquerque, NM  
James Solecki, DOE, Grand Junction Projects Office  
Joe Virgonia, DOE, Grand Junction Projects Office



## Department of Energy

Grand Junction Projects Office  
Post Office Box 2567  
Grand Junction, Colorado 81502-2567

- 1 1993

OCT 29 1993

Mr. [id Delcour, President  
Amax Resource Conservation Co.  
1626 Cole Boulevard  
Golden, Colorado 80401

SUBJECT: Amax Parkersburg Site Transfer Funding

Dear Mr. Delcour:

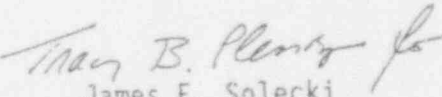
This is to confirm that the Nuclear Regulatory Commission (NRC) has approved payment of and the Department of Energy (DOE) accepts the sum of \$230,000 as fulfillment by Amax, Inc. (Amax) of the financial arrangements and requirements of Section 151(c), Nuclear Waste Policy Act of 1982, for the subject site transfer. This amount was agreed to by NRC, Amax, and DOE personnel as shown in the attached June 17, 1991, July 29, 1991, and November 3, 1992 correspondence. Of this sum, \$200,000 is to underwrite future costs of inspections, monitoring, and maintenance of the site as required by section 151(c), and \$30,000 is to offset the cost of further site characterization.

The sum of \$230,000 will be due and payable either before or at the time of closing to U. S. Department of Energy, Albuquerque Field Office, Director of Finance, P. O. Box 5400, Albuquerque, New Mexico, 87185. If payment is made prior to closing, a copy of the payment documentation should be forwarded to Doug Mills, U. S. Corps of Engineers, Huntington, West Virginia, and Amax also should retain thorough documentation of the early payment.

Receipt of payment to fulfill the financial arrangements required for the site transfer will not constitute final transfer to DOE. The site transfer will be completed when the site is accepted by the Secretary of Energy and the U. S. Department of Justice concurs on the transfer.

Please sign below indicating your agreement with this arrangement and return a copy of this letter to our office. If you have any questions, please contact Joe Virgona of my staff at (303) 248-6006.

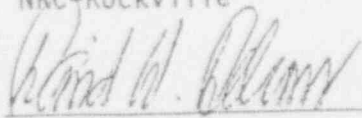
Sincerely,

  
James E. Solecki  
Manager

Attachment

cc:  
D. Mathes, DOE-HQ, EM-451  
J. Austin, NRC-Rockville

P. Montoya, DOE-AL  
D. Mills, COE-WV  
E. Brake, DOE-AL

Approved: 

Date: November 1, 1993



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

June 17, 1991

Docket No. 40-8820

Peter Keppler  
Assistant General Counsel  
Amax, Inc.  
Western Area Law Department  
1626 Cole Boulevard  
Golden, CO 80401-3293

Dear Mr. Keppler:

In your letters of September 19, 1989, and February 12, 1990, you proposed financial arrangements for long-term monitoring and maintenance of the Parkersburg, West Virginia, site. We believe that your proposal is reasonable in most respects. The features of your proposal with which we completely agree are as follows.

1. Amax will establish a trust fund with a local bank for the purpose of providing funds for long-term monitoring and maintenance of the Parkersburg property once title and custody are passed to the Department of Energy (DOE).
2. The structure of the trust fund will be as described in your letter of September 19, 1989 (enclosed for reference), with the modification that DOE rather than the Nuclear Regulatory Commission (NRC) be named as the agency having access to the trust fund.

We suggest some modifications to other features of your proposal.

1. The fund should be arranged to provide \$5,000.00 a year in interest earnings. The \$5,000.00 would cover grass mowing, regular site inspection (three or four times a year), occasional fence and sign replacement or repair, minor site remedial action (such as filling animal holes and occasional reseeding), sampling and analysis of water samples from site monitoring wells, and bank service fees. We believe that the \$3,000.00 a year proposed in your letter of February 12, 1990, (enclosed for reference) may not quite cover the site's needs in light of the likelihood that DOE will have to pay for the well sampling and monitoring work now performed by the State of West Virginia without charge.
2. In calculating the monies required to generate \$5,000.00 in interest income, you should assume a real pre-tax interest rate of no more than 3 percent. The reasons for this are explained in our letter to Amax of August 9, 1990 (enclosed for reference).

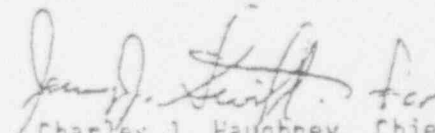
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June 17, 1991

3. In addition to the trust fund, you should provide DOE with funds for installation of two new monitoring wells. DOE has estimated that the cost will be \$15,000.00 a well, for a total of \$30,000.00. This money could be provided to DOE at the time of title transfer or at any time before.

We believe that these modifications are necessary to provide adequate funding for long-term monitoring and maintenance. If you agree with these modifications, and notify us formally to that effect, we will promptly write a letter to DOE stating that we have approved of Amax's financial arrangements for long-term monitoring and maintenance of the Parkersburg site as required by Section 151(c) of the Nuclear Waste Policy Act of 1982. At the same time, we will begin the process of terminating Amax's NRC license. The termination amendment will be written to take effect upon DOE notifying us that they have taken title to and custody of the site.

We hope to expedite the site turnover process in every way possible. Please call me or Davis Hurt of my staff (301-492-0694) if you have any questions.

  
Charles J. Haughney, Chief  
Fuel Cycle Safety Branch  
Division of Industrial and  
Medical Nuclear Safety  
Office of Nuclear Material Safety  
and Safeguards

cc: J. Gattrell, DOE  
J. Virgona, DOE

Enclosures:

1. Letter from Keppler to Rouse,  
dated 9/19/89
2. Letter from Keppler to LaRoche,  
dated 2/12/90
3. Letter from Haughney to Keppler,  
dated 8/9/90

40-8820

# POPHAM HAIK

SCHNORRICH & KAUFMAN, LTD.

3600 ONE TOWER CENTER  
1200 SEVENTEENTH STREET  
DENVER, COLORADO 80202  
TELEPHONE 303-893-1200  
TELECOPIER 303-893-2194

DENVER, COLORADO

3300 PIPER JAFFRAY TOWER  
222 SOUTH NINTH STREET  
MINNEAPOLIS, MINNESOTA 55402  
TELEPHONE 612-232-6808  
TELECOPIER 612-324-2713

4100 CENTRAUST FINANCIAL CENTER  
1005 E. SECOND STREET  
MIAMI, FLORIDA 33131  
TELEPHONE 305-530-0080  
TELECOPIER 305-530-0088

PETER KEPPLER  
SPECIAL COUNSEL  
(303) 893-1200

1200 I STREET, N.W.  
SUITE 500 EAST  
WASHINGTON, D.C. 20005  
TELEPHONE 202-962-8700  
TELECOPIER 202-962-8798

July 29, 1991

Mr. Charles J. Haughney, Chief  
Fuel Cycle Safety Branch  
Division of Industrial and Medical  
Nuclear Safety  
Office of Nuclear Material Safety  
and Safeguards  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Re: Radioactive Waste Storage Area  
Parkersburg, West Virginia

Dear Mr. Haughney:

This is in response to your letter dated June 17, 1991 regarding the subject site that is covered by NRC License No. SMB-1418 issued to AMAX Inc. I represent AMAX with respect to the Parkersburg site and the planned transfer of the area covered by license to the Department of Energy pursuant to Section 151(c) of the Nuclear Waste Policy Act of 1982.

In your June 17, 1991 letter, you requested that AMAX modify its proposal for financial arrangements for the long term monitoring and maintenance of the Parkersburg site. Specifically, NRC requests that the trust fund proposed by AMAX be adequate to provide \$5,000 per year in interest earnings assuming a real pre-tax interest rate of 3%. In addition, AMAX is asked to provide an additional \$30,000 to DOE for installation of two new ground water monitoring wells.

I have discussed your request with AMAX representatives and they have authorized me to state that AMAX will accept the modifications requested in your June 17,

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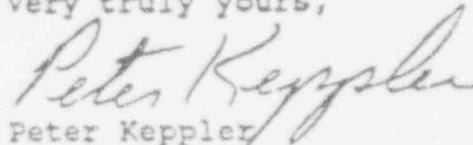
NFI

Mr. Charles J. Haughney  
July 29, 1991  
Page 2

1991 letter. This will require a much larger trust fund than proposed by AMAX (\$200,000 v. the \$100,000 proposed) plus the \$30,000 payment for two new monitoring wells to be installed by DOE. Jim Kerrigan of AMAX has prepared the enclosed table and graph showing the earnings and expenses by year using a \$200,000 trust fund and a 3% real interest rate. Mr. Kerrigan's calculations indicate that the \$200,000 fund will be more than adequate to cover the annual \$5,000 monitoring and maintenance costs and periodic replacement of the fence around the stabilization area.

As indicated in your letter, we understand that the NRC will now notify DOE that AMAX has accepted the NRC modifications and that the parties can proceed to closing on the transfer of the Parkersburg site to DOE. I received a copy of your letter dated June 25, 1991 to Ralph G. Leitner at DOE regarding this matter and asking DOE to pursue the acquisition of this site as expeditiously as possible. AMAX is ready to move forward and complete the site transfer on the terms stated in your letters of June 17 and June 25, 1991.

Very truly yours,

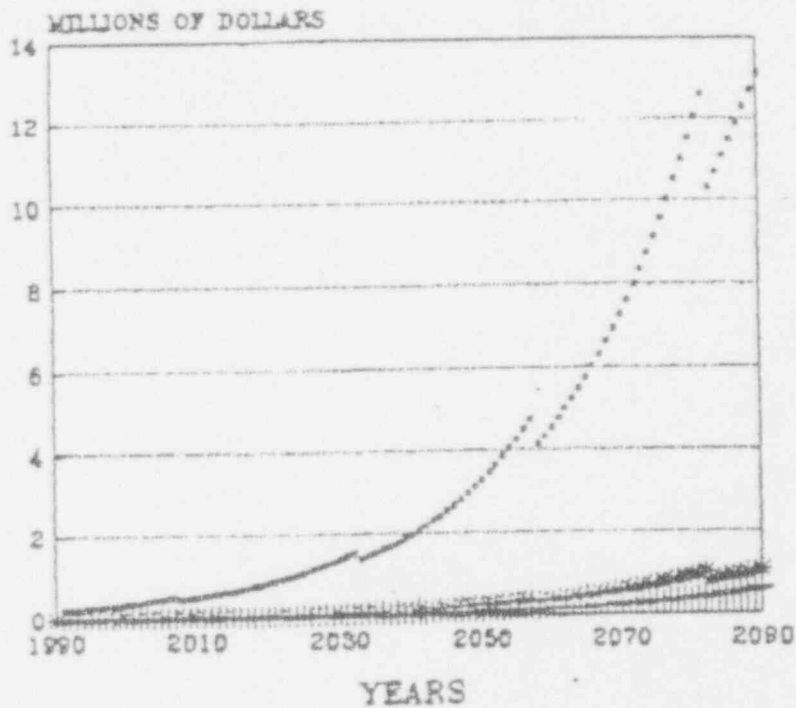
  
Peter Keppler

47.ZPK/lad  
Enclosures  
cc: Jim Kerrigan (w/o enc.)



# WOOD COUNTY, WV PROPERTY

## INITIAL FUND - \$200,000



DOLLARS

· FUND    + COST    \* EARNINGS



JUL 30 '91 11:01 AMX ENVIRONMENTAL

P. 3/5

CALCULATIONS FOR THE LONG-TERM MAINTENANCE COST  
AT THE WOOD COUNTY, W.V. STABILIZATION SITE

CAPITALIZATION FUND		\$200,000
INITIAL ANNUAL COST		\$5,000
REPLACE FENCE EVERY	25 YEARS	
INITIAL FENCE COST IN 1982		\$21,825
INTEREST ON FUNDS	8.00 PERCENT	
INFLATION RATE	5.00 PERCENT	

YEAR	FUNDS	ANNUAL COST	FENCE	EARNINGS
1990				
1991	\$200,000	\$5,000		\$16,000
1992	211,000	5,250		16,680
1993	222,630	5,513		17,810
1994	234,926	5,788		18,794
1995	247,934	6,078		19,835
1996	261,691	6,381		20,835
1997	276,245	6,700		22,100
1998	291,644	7,036		23,332
1999	307,940	7,387		24,635
2000	325,188	7,757		26,015
2001	343,447	8,144		27,476
2002	382,778	8,552		29,022
2003	383,248	8,978		30,660
2004	404,929	9,428		32,394
2005	427,895	9,900		34,232
2006	452,227	10,395		36,178
2007	478,011	10,914	73,907	38,241
2008	431,430	11,460		34,514
2009	454,484	12,033		36,359
2010	478,810	12,635		38,305
2011	504,480	13,266		40,358
2012	531,572	13,930		42,526
2013	560,168	14,626		44,813
2014	590,355	15,358		47,228
2015	622,225	16,125		49,778
2016	655,878	16,932		52,470
2017	691,418	17,778		55,313
2018	728,851	18,667		58,316

JUL 30 '91 11:22 AMX ENVIRONMENTAL

P.4/5

Page 2

YEAR	FUNDS	ANNUAL COST	FENCE	EARNINGS
2020	810,488	20,581		64,839
2021	854,748	21,610		68,380
2022	901,516	22,690		72,121
2023	950,947	23,825		76,076
2024	1,003,198	25,016		80,258
2025	1,058,438	26,267		84,675
2026	1,116,846	27,580		89,348
2027	1,178,614	28,959		94,288
2028	1,243,944	30,407		99,515
2029	1,313,052	31,927		105,044
2030	1,386,169	33,524		110,894
2031	1,463,539	35,200		117,083
2032	1,545,422	36,960	250,276	123,634
2033	1,381,820	38,808		110,548
2034	1,453,557	40,748		116,285
2035	1,529,094	42,786		122,327
2036	1,608,635	44,925		128,691
2037	1,692,401	47,171		135,392
2038	1,780,622	49,530		142,450
2039	1,873,542	52,006		149,883
2040	1,971,419	54,607		157,714
2041	2,074,526	57,337		165,982
2042	2,183,151	60,204		174,652
2043	2,297,599	63,214		183,808
2044	2,418,183	66,375		193,455
2045	2,545,274	69,693		203,622
2046	2,679,202	73,178		214,338
2047	2,820,360	76,837		225,629
2048	2,969,152	80,679		237,532
2049	3,126,005	84,713		250,080
2050	3,291,372	88,949		263,310
2051	3,465,734	93,396		277,259
2052	3,649,596	98,068		291,968
2053	3,843,498	102,969		307,480
2054	4,048,009	108,117		323,841
2055	4,263,733	113,523		341,099
2056	4,491,308	119,200		359,305
2057	4,731,413	125,159	847,523	378,513
2058	4,137,243	131,417		330,979
2059	4,336,805	137,988		346,944
2060	4,545,761	144,888		363,661
2061	4,764,534	152,132		381,163
2062	4,993,565	159,739		399,485
2063	5,233,311	167,728		418,665
2064	5,484,251	176,112		438,740

JUL 30 '91 11:23 AMX ENVIRONMENTAL

P.5/5

Page 3

YEAR	FUNDS	ANNUAL COST	FENCE	EARNINGS
2065	5,746,879	184,918		459,750
2066	6,021,712	194,163		481,737
2067	6,309,285	203,872		504,743
2068	6,610,156	214,065		528,812
2069	6,924,904	224,768		553,992
2071	7,598,451	247,807		607,876
2072	7,958,520	260,198		636,682
2073	8,335,004	273,207		666,800
2074	8,728,596	286,858		698,288
2075	9,140,016	301,211		721,201
2076	9,570,008	316,272		755,601
2077	10,019,335	332,085		791,547
2078	10,488,797	348,690		839,104
2079	10,879,211	366,124		878,337
2080	11,491,423	384,430		919,314
2081	12,026,307	403,652		962,105
2082	12,584,760	423,834	2,870,015	1,006,781
2083	10,297,691	445,026		823,815
2084	10,676,480	467,277		854,118
2085	11,063,321	490,641		885,066
2086	11,457,746	515,173		916,620
2087	11,859,192	540,932		948,735
2088	12,266,995	567,979		981,360
2089	12,680,376	596,378		1,014,430
2090	\$13,098,429	\$626,196		\$1,047,874



Department of Energy

Washington, DC 20585

NOV 3 1992

Mr. John Austin  
Chief, Decommissioning and  
Regulatory Issues Branch  
U.S. Nuclear Regulatory Commission  
White Flint Building/Mailstop 5E2  
11555 Rockville Pike  
Rockville, Maryland 20854

Dear Mr. Austin:

At our recent meeting, we agreed to provide you with a schedule for transfer of the Section 151(c) site at Parkersburg, West Virginia, from the current owner to the Department of Energy (DOE) for long-term custody, maintenance, and monitoring. Transfer is required by Section 151(c) of the Nuclear Waste Policy Act of 1982.

DOE has determined to accept the level of funding proposed by Amax and approved by the Nuclear Regulatory Commission (NRC). This funding is to be a one-time payment sufficient to provide: (1) \$5,000 per annum, for perpetuity, in partial support of DOE's costs for long-term maintenance and monitoring and (2) \$30,000 to support new drilling for National Environmental Policy Act compliance at the site. No further negotiations on this matter are required.

The objective is to complete site transfer by no later than March 31, 1993, the date on which NRC's current license expires with Amax. The following schedule is proposed to meet that objective:

1. Determine Procedures for Amax to Follow to Make the One-Time Lump Sum Payment to DOE

The DOE Albuquerque Field Office, Financial Management Division, is currently working on these procedures. At least partial resolution is expected by early November. If resolution proves difficult, final resolution may require an additional 90 days or more. Ninety days are used for this estimate.

Completion Date:

01/31/93

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## 2. Complete Real Estate Transaction

The Army Corps of Engineers (COE) will provide services for the real estate transaction. The Grand Junction Projects Office (GJPO) has approved the Statement of Work submitted by COE and is transferring funds to cover COE's expenses.

COE estimates that title search and related activities associated with site transfer can be completed within 90 days of start. A December 1, 1992, start is used for this estimate.

If title search determines that there are liens or claims against the site property, 90 days to complete site transfer will be insufficient. In that case, the schedule must be considered open ended with no projected date for completion.

Completion Dates:

Complete Interagency Agreement with COE	11/31/92
COE Begins Work	12/01/92
COE Completes Real Estate Transaction Activities	02/27/93

## 3. Receive Payment from Amax

DOE has determined that Amax's settlement for partial funding of long-term maintenance and monitoring costs, and for partial support of site characterization (drilling), is to be paid to DOE, which will then make appropriate disposition of the payment sum.

Completion Date:

Advise Amax of Procedure for Making Payment	01/31/93
Receive Payment from Amax at Time of Title Transfer on or before	03/31/93

## 4. Accept Site Transfer

Requires completion of Actions 1 through 3.

<u>Completion Date:</u> On or before	03/31/93
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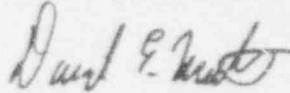
Requires transfer of title to DOE.

<u>Completion Date:</u> On or before	03/31/93
--------------------------------------	----------

We believe the above schedule for site transfer is realistic, and we are committed to meeting that schedule. However, a site transfer such as this is not a routine action within DOE, and unforeseen events or complications may arise.

If there are questions or comments on this schedule, please contact me on 903-7222 or Jacob Gatrell on 903-7221.

Sincerely,



David E. Mathes  
Director  
Division of Off-Site Remediation  
Office of Southwestern Area Programs  
Environmental Restoration

cc:

E. Brake, DOE-AL  
P. Montoya, DOE-AL  
J. Virgona, GJPO  
C. Jones, Geotech