

RIO ALGOM CORPORATION

Lisbon Mine

LaSal Route
MOAB, UTAH 84532

Phone: (801) 259-5904

March 23, 1982

Mr. Glen D. Brown, Chief
Technical Program Branch
U. S. Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76012

Docket No. 40-8084
License No. SUA-1119

Dear Mr. Brown:

This is in reply to your letter of the 12th instant in which you requested additional information in connection with our response to Violation No. 1 of a special mill appraisal conducted by the N.R.C. 2-5 November 1981. We should like to amend our response to this violation from that shown in our letter dated 23 February 1982, as follows:

Violation: Contrary to the requirements of 10 CFR 20.106(a), underground seepage of tailings liquids has resulted in concentrations of natural uranium in an unrestricted area averaging 1.9 times the limit during the twelve consecutive months prior to September 1981.

Amended Response

Corrective steps which have been taken by Rio Algom Corporation include the contracting of recognized consultants in the environmental and applied earth sciences to conduct preliminary tailings management studies on 11 May 1969. This work included initial ground water studies and an evaluation of then existing ground water quality data, the results of which were presented in their report entitled, "Report of Preliminary Tailings Management Study, Lisbon Valley Mine Tailings Disposal System" dated 18 January 1980. At the request of N.R.C.'s Licensing Branch on 5 September 1980 for additional information, Rio Algom Corporation contracted the same consultant to conduct further hydrogeologic investigations to ascertain what course of action should be followed in order to prevent further contaminant migration. Recommendations of this investigation are presented in "Report on Ground Water Investigations, Lisbon Mine" dated 20 February 1981 and were not fully supported by Rio Algom Corporation as outlined in a letter to the Licensing Branch on 13 March 1981 in which an alternate plan of action was suggested.

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C PDR

Not on DCS

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We believed, and still do believe, that the best solution to a contaminant migration problem is to implement control measures which will arrest the spread of contamination rather than extending a restricted area boundary. Therefore, in the absence of further direction, Rio Algom Corporation decided that implementation of its alternate plan would be undertaken. The first step of this plan was to install a continuous pump-back system from Monitor Well Number 3 (MW3) since it was closest to the contaminant source (the ponds) and contained the most contaminated liquid. We also suspected local ground faulting between this well and the upper tailings pond, as well as continued faulting towards Monitoring Well H-56. It was therefore expected that the effect of pumping MW3 would soon be felt at H-56.

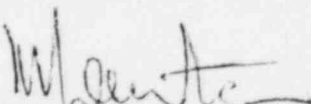
The results achieved by pumping MW3 continuously back to the pond were not expected to change contaminant levels overnight in holes such as H-56 and H-54, but the results are not as effective as we had hoped for.

The corrective steps which will be taken to avoid further violations will be achieved by Rio Algom Corporation extending its northern boundary restricted area fence line from that shown in red on the attached vicinity map to as shown in green. This will provide the time necessary for Rio Algom Corporation to continue in its efforts to contain high ground water contaminant levels well within its property boundaries, as has already been outlined in our letter to the Licensing Branch of 13 March 1981.

Full compliance will be achieved by 1 May 1982.

I certify that all information contained in this letter, including any supplements attached thereto, is true and correct to the best of my knowledge and belief.

3-23-82
Date



M. D. Lawton
President

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STATE OF UTAH)
) ss.
COUNTY OF SAN JUAN)

On this 24th day of March 1982, personally appeared before me, the undersigned Notary Public, MERVYN D. LAWTON, the signer of the foregoing instrument, who duly acknowledged to me that he executed the same freely.

WITNESS my hand and official seal

My Commission Expires:

August 1, 1984

William B. Francis
Notary Public

Residing at Monticello, Utah

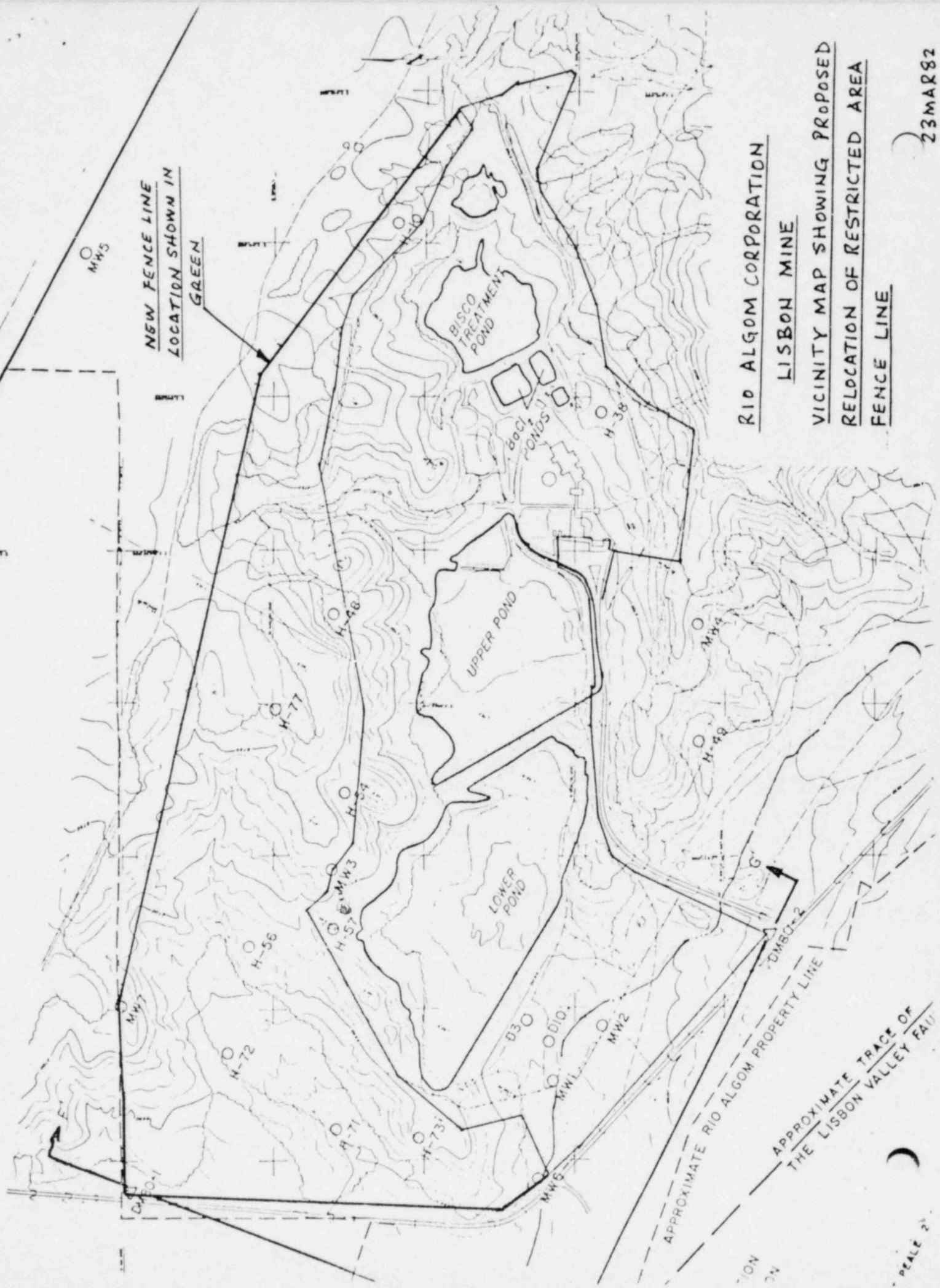
MDL:RSP:jem
Enclosures

NEW FENCE LINE
LOCATION SHOWN IN
GREEN

RIO ALGOM CORPORATION
LISBON MINE

VICINITY MAP SHOWING PROPOSED
RELOCATION OF RESTRICTED AREA
FENCE LINE

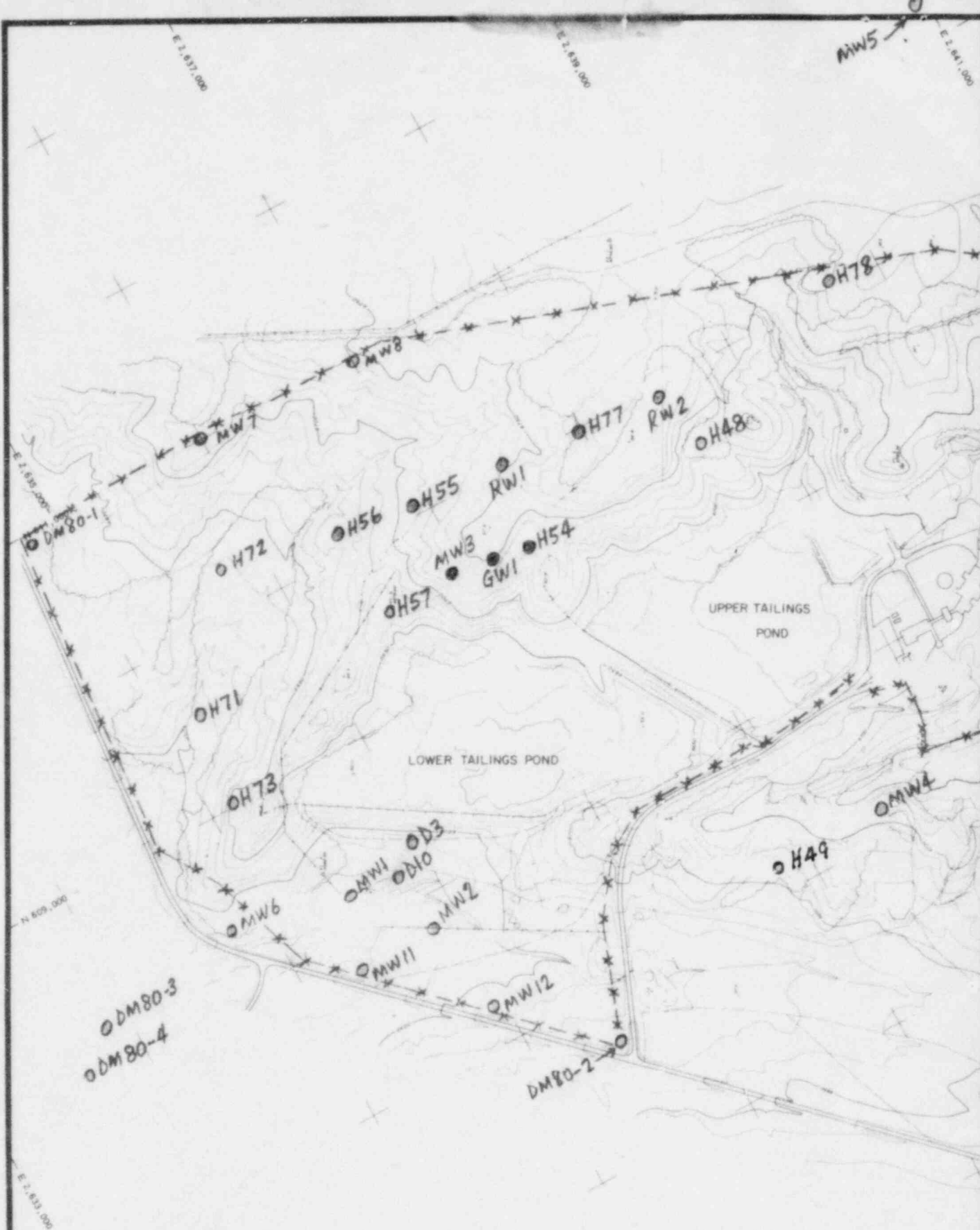
23 MAR 82



PEALE 25'

JOB NUMBER _____ DATE _____
DRAWN BY _____

448-11 (10-78)



- RECOVERY AND MONITOR WELLS
- MONITOR WELLS
- INJECTION SEALED WELLS
- - - - RESTRICTED AREA FENCELINE

REFERENCE
TOPOGRAPHY COMPILED BY PHOTOGRAMMETRIC METHODS,
BY AERO-GRAPHICS, INCORPORATED, SALT LAKE CITY, UTAH.

Attachment B.



RIO ALGOM CORPORATION - LISBON MINE
GROUNDWATER RECOVERY SYSTEM
PROPOSED WELL LOCATIONS - STAGE I

R. S. PATTISON 3 JUN 82



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

PDR

RETURN TO 396SS

FEE CLASSIFICATION MEMO

DOCKET NO.: 40-8084
TO: William O. Miller, Chief
License Fee Management Branch, ADM
FROM: H. Pettengell
SUBJECT: MATERIALS LICENSE AMENDMENT CLASSIFICATION

Applicant: Rio Algom Corporation
License No.: SUA-1119 Fee Category: 2A
Application Dated: 6-3-82 Received: 6-15-82
Applicant's Classification: None

The above application for amendment has been reviewed by NMSS in accordance with §170.31 of Part 170, and is classified as follows:

1. Safety and Environmental Amendments to Licenses in Fee Categories 1A through 1H, 2A, 2B, 2C, and 4A.
 - (a) Major safety and environmental _____
 - (b) Minor safety and environmental _____
 - (c) Safety and environmental
(Categories 1D through 1G only) _____
 - (d) Administrative _____

2. Justification for Reclassification: NO Add'l Fee

The licensee paid a MAJ mod fee to lift the dam. The seepage monitoring program was part of that activity but the staff felt the lift could be authorized before resolution of seepage case. It should be covered under rec'd Fee.

3. The application was filed (a) _____ pursuant to written NRC request and the amendment is being issued for the convenience of the Commission, or (b) _____ other (state reason): _____

MAIL CONTROL #: 20512

CASEWORK #: _____

CHECK INCLUDED:

- No
 Yes

Amount: _____
Date of check: _____
on check: _____

Signature: Harry J. Pettengell
Uranium Recovery Licensing Branch
Division of Waste Management, NMSS

Date: 7/08/82