



Bluewater Mill
 Post Office Box 638
 Grants, New Mexico 87020
 Telephone 505 876 2211
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40-8902
 X61143

RETURN ORIGINAL TO PDR, HQ.

September 1, 1993

Mr. Ramon Hall
 United States Nuclear Regulatory Commission
 Uranium Recovery Field Office, Region IV
 730 Simms Street
 Suite 100
 Golden, Colorado 80401

Re: License No. SUA-1470
 Docket No. 40-8902



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Dear Mr. Hall:

This is a follow up report to a telephone call made to you on August 18, 1993, in which Mr. Natver Patel advised you that ARCO had discovered a bubble beneath the liner of Evaporation Pond IIIC. The bubble occurred in the lower area of the Pond and could indicate a leak in the liner. Promptly upon discovery of the bubble ARCO began transferring the water to an adjacent pond and notified you on August 25, 1993 that the water had been removed. With the water removed we then made an inspection of the liner but were unable to find any perforation of the liner. We did find some softening below the liner. Our conclusion was that a minor amount of fluid had passed the liner but was absorbed by the soil and did not impact the ground water.

As you are aware, we are currently in the process of decommissioning and reclaiming two of our three remaining evaporation ponds and disposing Pond residue and contaminated soil into the tailings, and had notified your office by letter on August 12, 1993 of the removal plans. Now, because of the problems in Evaporation Pond IIIC we have reevaluated our plans for decommissioning the evaporation ponds and have decided to decommission Evaporation Ponds IIIA and IIIC and retain Evaporation Pond IIIB for collecting and evaporating water in the near term. Plans are under way to remove the residue from IIIB, inspect and repair the liner, and pump the existing water from Evaporation IIIA into IIIB so that IIIA can be decommissioned immediately after IIIC. All of this work is of high priority and will be completed as soon as possible. We anticipate completion before December 31, 1993.

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The evaporation pond decommissioning work will be done in accordance with our NRC approved reclamation plan. The residue and any contamination beneath the liners will be

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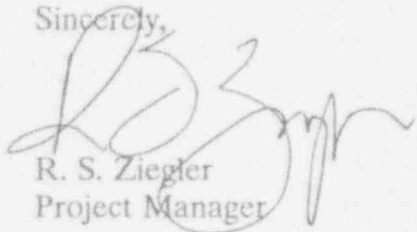
Certified By *Mary C. Hood*

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removed and disposed of on the tailings pile, and the liners will be placed in Material Disposal Area No. 1.

I hope that this provides you with adequate information regarding these changes in plans and schedule. Please advise me or Mr. Natver Patel if you need additional information.

Sincerely,



R. S. Ziegler
Project Manager

/jmn

pc: N. Patel
C. Sanchez