



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

NOV 17 1993

State of Utah
Department of Environmental Quality
Attn: Mr. Dianne R. Nielson
Executive Director
168 N. 1950 West
P.O. Box 144810
Salt Lake City, UT 84114-4810

Dear Dr. Nielson:

Thank you for your letter to me, dated November 3, 1993, concerning the alleged release of contaminated scrap from the Atlas uranium mill near Moab, UT. We appreciate your concern about this matter, and wish to assure you that we are conducting our investigation of this allegation with a high priority. We have met with the allegeder to obtain specific allegations and supporting information. With respect to followup of the allegation we will coordinate utilization of the resources of various states, including Utah, to perform verification surveys of previously released salvage material which can be located, and confirmatory inspections of the procedures in use at the site for survey and release of material. As information is developed, we will continue our practice of keeping your staff informed. We appreciate your designation of Mr. William Sinclair as your contact point on this matter.

You voiced an additional concern regarding the disposal point for mill materials which do not meet the criteria for release for unrestricted use. The currently approved decommissioning plan provides that this material be disposed of at the outslope of the southern tip of the mill tailings pile. We are aware that should the ongoing reevaluation of the reclamation plan for the mill tailings pile require that the design be modified, or that the pile be moved, this disposal area would also have to be included. We have discussed this matter with the licensee, and they have indicated that the costs attendant to movement of material disposed in the designated area would be small relative to the overall costs of movement of the tailings pile should that be subsequently required. We do not feel that the continued disposal of mill debris as authorized will affect significantly the reevaluation of the reclamation plan for the tailings which is currently underway. Benefits in continued disposal, as compared to stockpiling of contaminated material on the site without protection, appear to outweigh the risk/cost of having to move this disposal area should it eventually become necessary to move the tailings to an alternative disposal location. At this point in our review of the allegation, we do not have any indication that there will be a substantially greater quantity of material to be disposed of in the designated area than was considered in the decommissioning plan.

We appreciate the continued interest of the State of Utah in the regulation of uranium recovery facilities in your state, and will continue our efforts to assure that your representative is kept abreast of developments in this case.

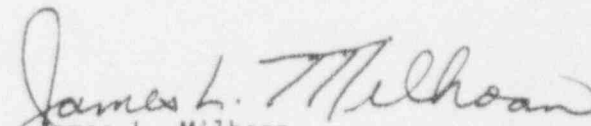
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State of Utah

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We encourage your cooperation in any subsequent followup actions which may be necessary in Utah to support our investigatory efforts.

Sincerely,


James L. Milhoan
Regional Administrator

cc:
Atlas Corporation
ATTN: Richard E. Blubaugh
Republic Plaza
370 17th Street, Suite 3150
Denver, CO 80202-5631

bcc:

D. D. Chamberlain, DRSS, RIV
 C. L. Cain, DRSS, RIV
 E. L. Williamson, OI, RIV
 J. T. Gilliland, PAO, RIV
 R. A. Scarano, RV
 R. L. Bangart, OSP, (3 D23)
 J. J. Surmeier, OSP, (3 D23)
 J. T. Greeves, LLWMD, (5 E2)
 P. H. Lohaus, LLWMD, (5 E2)
 J. J. Holonich, LLUR, (5 E2)
 R. E. Hall, URFO
 E. F. Hawkins, URFO
 R. J. Doda, RIV
 C. A. Hackney, RIV
 ADM file: Utah
 Docket File 40-3453
 RIV File (AI 93-312)
 URFO r/f
 PDR
 DCS

RIV:D:URFO	AD:DRSS	SLO	RC	DRA
*REHall:cd	DChamberlain	CAHackney	WLBrown	JMMontgomery
11/15/93	11/15/93	11/15/93	11/15/93	11/15/93

RA				AI 93-312
JLMilhoan				
11/15/93				

*Previously concurred

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