MAR - 2 1994

Docket No. 40-3453; License SUA-917
Atlas Corporation
ATTN: Richard E. Blubaugh, Vice President
of Environmental and Governmental Affairs
Republic Plaza
370 Seventeenth Street, Suite 3150
Denver, Colorado 80202

Dear Mr. Blubaugh:

Confirming recent tele ne discussions between you and Allan Mullins of my staff, the Nuclear Reg atory Commission has determined that an Environmental Impact Statement (EIS) on the reclamation plan for Atlas' mill site in Moab, Utah, is required to comply with the National Environmental Policy Act. This determination is based on the Council of Environmental Quality's regulations in 40 CFR 1500 and NRC's regulations in 10 CFR 51 and consideration of the level of controversy, the degrees of uncertainty related to the erosion potential of the Colorado River and faulting and seismic considerations, and the site's proximity to park and recreational facilities and location on wetlands (floodplain of the Colorado River). Oak Ridge National Laboratory is contracted to prepare the EIS. A scoping meeting is being planned for April 14, 1994, in Moab to better determine the issues to be considered in the EIS.

In addition, the staff has reviewed the groundwater Corrective Action Plan which Atlas is implementing at this site. Additional information needs are detailed in the enclosure. This information relates to the hydrogeologic characterization and aquifer testing data used in developing the engineering alternatives.

You should provide a response for our review within 60 days of your receipt of this letter, or within 10 days, provide the date by which you can respond. If you have any questions, please address them to the NRC Project Manager Allan Mullins, at (301) 504-2578.

Sincerely,
ORIGINAL SIGNED BY
Joseph J. Holonich, Acting Chief
Uranium Recovery Branch
Division of Low-Level Waste Management
and Decommissioning
Office of Nuclear Material Safety
and Safeguards

Enclosures: As stated
cc: Atlas list attached
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TECHNICAL INFORMATION NEEDS
ATLAS MOAB MILL
REVIEW OF GROUNDWATER CORRECTIVE ACTION PLAN

Alluvial Aquifer Characterization and Testing

1. Atlas provided a Groundwater Corrective Action Plan (CAP) for review on March 31, 1989, which described and evaluated several corrective action alternatives for mitigating groundwater contamination existing between the Point of Compliance and the site property boundary at the Colorado River. These alternatives included several variations of the 'pump and treat' remediation approach for achieving compliance, with anticipated durations and associated capital/operational costs for each alternative.

In an effort to respond to public comments submitted to the Nuclear Regulatory Commission, the NRC staff discovered that the CAP did not provide or reference the site-specific hydrogeologic characterization or aquifer testing data that were used to develop the engineering alternatives. Our review of the available site information did not confirm that hydrogeologic field measurements were conducted at the site. You should proceed to obtain and provide this information which should include, but not be limited to:

- vertical distribution of contamination in the aquifer,
- field measurements of hydraulic conductivity, storage coefficient, or delayed yield through pumping tests,
- field or laboratory measurements of the vertical hydraulic conductivity of any confining or semi-confining layers in the alluvial aquifer, and
- impact of river-stage fluctuations on the tailings pile and any proposed engineering alternative.

This type of data and information are critical for developing and evaluating meaningful engineering alternatives for the CAP, and providing adequate responses to public comments.

2. Atlas should determine the engineering-feasible corrective action alternatives for bringing the groundwater in the alluvial aquifer into compliance with the concentration limits stated in Source Material License No. SUA-917. This evaluation should be based on site-specific measurements of hydrogeologic and engineering parameters necessary to perform a credible analysis. The evaluations should also estimate the duration necessary for achieving the compliance limits. This evaluation should be conducted independently of the cost-benefit analysis. A cost-benefit analysis should then be performed on each identified corrective action alternative.

Enclosure