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U.S. NUCLEAR REGULATORY COMMISSION

QUIVIRA MINING COMPANY

AMBROSIA LAKE MILL

DOCKET NO. 40-8905

AGENCY: U.S. Nuclear Regulatory Commission

ACTION: Notice of intent to amend Source Material License SUA-1473 to modify the erosion protection design of the plan for reclamation of the Ambrosia Lake Mill disposal area, and Notice of Opportunity to request a hearing.

1. Proposed Action:

By letter dated January 7, 1994, Quivira Mining Company (QMC), holder of Source Material License SUA-1473 for the Ambrosia Lake Mill, requested an amendment to License Condition No. 37 to; (1) eliminate having to open a new rock quarry and its related surface disturbance; (2) improve the erosion protection for the tailings impoundments; and (3) reduce the volume of waste rock generated at the crusher and thereby reduce the disturbance in that area.

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2. Reason for Request to Amend License:

License Condition No. 37 describes requirements that the licensee must comply with in reclaiming the site. As discussed below, QMC is requesting modifications to this license condition.

The Nuclear Regulatory Commission (NRC) requires that rock used for erosion protection have the ability to withstand the forces of weathering for long periods of time. In accordance with this requirement, in the approved reclamation plan, QMC provided evidence that rock from an area known as La Chuchilla Ridge would meet the NRC criteria. To assure that this rock source is actually used to obtain rock for erosion protection, License Condition No. 37(J) specifically mentions that erosion protection materials must be obtained from La Chuchilla Ridge. QMC is requesting that License Condition 37(J) be revised to allow them to obtain rock from an existing quarry near the Homestake Mill in order to prevent having to disturb the La Chuchilla Ridge area. The durability of rock at the Homestake Quarry has been shown to be equivalent to the rock from La Chuchilla Ridge.

License Condition No. 37(K) specifies the gradation and sizing requirements of the rock to be used for erosion protection. For the outcrops of Ponds 1 and 2, four sizes of rock are required depending on where the rock is to be placed. In order not to have to process four

different gradation sizes, QMC proposes to use larger rock than required in two areas of the outcrops. This would not only improve the erosion protection design, but would also reduce the disturbance in the area.

The approved reclamation plan does not require rock for erosion protection of the top surfaces of Ponds 1 and 2 as the surfaces are sufficiently flat to be stable under extreme flood conditions. QMC proposes to be allowed to place rock on the top surfaces of the two ponds if they so desire. This request would also improve the erosion protection design.

Paragraph 10 CFR 51.22 (c)(11), categorically excludes the requirement for an environmental assessment for this licensing action. That paragraph states that the categorical exclusion applies to the issuance of amendments to licenses for uranium mills provided that (1) there is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite, (2) there is no significant increase in individual or cumulative occupational radiation exposure, (3) there is no significant construction impact, and (4) there is no significant increase in the potential for or consequences from radiological accidents.

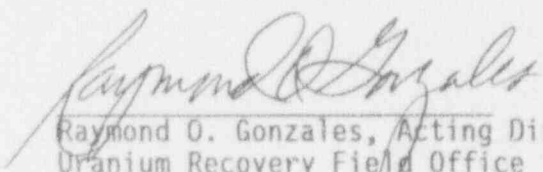
The licensing action discussed in this memorandum meets these criteria as the proposed amendment involves only changes in the erosion

protection design. The proposed changes will provide larger rock than required in some areas, and will eliminate disturbing a new area for obtaining rock by using an existing quarry. Neither of these changes will result in adverse environmental impacts. An environmental report is not required from the licensee since the amendment does not meet the criteria of 10 CFR 51.60 (b)(2).

3. Notice of Opportunity to Request Hearing:

In accordance with Title 10, Code of Federal Regulations, Part 2 (10 CFR 2), paragraph 2.1205(c)(1), interested parties are hereby notified that they may request a hearing pursuant to the procedures set forth in 10 CFR 2.1205 within thirty (30) days of the publication of this notice.

Signed in Denver, Colorado
this 4th day of March 1994


Raymond O. Gonzales, Acting Director
Uranium Recovery Field Office
Region IV