

Rio Algom Mining Corp.

March 28, 1994

Certified Mail
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Mr. Joe Holonich, Branch Chief
Uranium Recovery Branch
Division of Low Level Waste Management & Decommissioning (5 E2)
11555 Rockville Pike
Rockville, MD 20850

Re: Pending License Amendments

Dear Mr. Holonich:

This letter presents Rio Algom and Quivira's concerns that we briefly discussed during the AMC/NRC Joint Workshop regarding the scheduling of several license amendments now pending before NRC for the Company's Ambrosia Lake and Lisbon facilities.

The license amendments needing NRC near term attention due to time constraints are Quivira's Ambrosia Lake submittal dated February 7, 1994, and Lisbon's submittal dated February 18, 1994. These submittals respectively involve Quivira's request to utilize soils classified as lean clays (CL), fat clays (CH), and clayey sands (SC) as radon cover material in its tailings reclamation plan and Rio Algom's request for approval of its mill decommissioning plan for the Lisbon facility.

It was noted during your "Prioritization" presentation during the Joint Workshop, that the Ambrosia Lake request was considered a Priority 2 action. It is my understanding that Priority 2 items are those yet unscheduled but are due for completion during the current Federal fiscal year. The continuance of this item as a Priority 2 item or as soon as possible would greatly assist Quivira's on-going tailings reclamation activities for the following reasons.

At the Ambrosia Lake site, tailings reclamation activities unlike at other NRC licensed sites, are being conducted solely by company employees rather than by outside contractors. The Company, as a result of placement of the Ambrosia Lake facility on standby, decided to conduct tailings remediation with its own employees. The reason for this action rather than utilizing outside contractors were: (1) to soften the impact caused by the layoffs required by the

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implementation of the standby status. During full production, Quivira had employed up to approximately 1,600 employees at its mill and mines complex; (2) the Company felt an obligation to retain as many of its employees as possible in recognition of their service and dedication; (3) Quivira believed its employees could out perform contractor services; and (4) the program would allow the Company to maintain a core group of employees to re-start the facility should future market conditions warrant its reactivation.

Quivira has continued to use our current employees in its tailings remediation efforts. As progress towards completing the tailings reclamation continues, and ever mindful of the project's reclamation milestone dates, work scheduling has become critical. The Company is faced with the logistics of complying with the reclamation milestone dates and attempting to maintain gainful employment for its employees. Because proper scheduling of remaining reclamation activities is required to allow Quivira to complete the milestone dates in an expeditious manner and provide the continuation of service for our employees, the February 7 request is needed as early as possible but no later than the beginning of this September. If approval is not received by this juncture in the reclamation activities, Quivira could be forced to curtail reclamation activities and be faced with possible layoffs.

In regards to the Rio Algom submittal dated February 18, 1994, the Company stated it would like the ability to commence decommissioning of the Lisbon facility's mill in late May or June 1994. This time frame would allow Rio Algom to contract with potential firms to conduct the decommissioning in the most cost effective manner. This would allow the contractor mobilization to the site to be completed and allow them to commence their activities during favorable weather. NRC's attention to this matter would also allow Rio Algom to place erosion protection on critical areas including out slopes of the tailings impoundments upon burial of the mill at the toe of the upper tailings impoundment. The placement of the mill at this location has been approved in the facility's reclamation plan. Thus, NRC's attentiveness on this matter would enhance mill decommissioning and allow Rio Algom to also protect reclamation work already completed.

Rio Algom suggests as a possible action to help provide for a near term review for the Lisbon facility decommissioning plan, that NRC shift Quivira's Ambrosia Lake application to use a nuclear density meter to a lesser priority. It was noted during your "Prioritization" presentation, that this request was listed as a Priority 2 item.

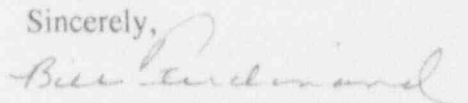
Although the density meter amendment has been pending since June 1992 and its approval would greatly assist the Ambrosia Lake reclamation activities, the Company believes the Lisbon mill decommissioning should, at this juncture, be a higher priority as approval will enable us to continue our reclamation/decommissioning activities at the Lisbon facility. Thus,

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if necessary, the nuclear density meter amendment could be moved to a Priority 3A status to accommodate the near term review of the Lisbon decommissioning plan.

Rio Algom and Quivira understands and appreciates NRC's current status regarding your review ability in-light of the Denver office closure and limited resources. Both of these amendment requests however, are important items to allow the continuity of on-going reclamation activities for the reasons noted. Your attentiveness on these matters is very much appreciated. If we can be of service to help assist or should you have any questions regarding these items, please contact me at (405) 842-1773.

Sincerely,



Bill Ferdinand, Manager
Radiation Safety, Licensing &
Regulatory Compliance

xc: M. Freeman
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