

URFO:DLJ  
Tocket No. 40-8681  
04008681250R  
04008681420R

NOV 28 1990

Umetco Minerals Corporation  
ATTN: Mr. Brice  
White Mesa Uranium Mill  
P. O. Box 669  
Blanding, Utah 84511

Dear Mr. Brice:

Our review of the annual technical evaluation reports for your tailings disposal system have found that the reports lack sufficient information for us to independently assess the adequacy of the system. This deficiency was first identified to you on January 4, 1988, during a telephone conversation between Mr. C. O. Sealy of Umetco and our office. During this conversation Mr. Sealy committed to include the following information in subsequent reports:

1. A statement that beach and freeboard levels were maintained during the reporting period or an explanation of why they were not and how the situation was handled.
2. Summarization of the daily, weekly, and quarterly inspections and any corrective action taken.
3. Summarization of the settlement data.

This information was not included in the reports submitted since the commitment was made.

In addition, the report is intended to evaluate the entire tailings disposal system. This would include the diversion ditches and the diversion dike. As License Condition No. 51 ties the freeboard requirement for Cell 3 to the volume of tailings deposited, this information must also be included in the annual evaluation. Due to the problem that was identified with the elevation datums used at the site, information on the elevations used to determine freeboard amounts are extremely important and should be included in the annual report.

PM:URFO  
DLJacobby/db  
11/28/90

PM:URFO  
DWard  
11/28/90

DD:URFO  
FEFHawkins  
11/28/90

D:URFO:RIV  
REHall  
11/28/90

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One major concern that has resulted from our review is the list of "items that were observed during the inspection" by the Umetco representative during the formal on-site inspections conducted November 30, 1988, and November 14, 1989. Though characterized as observed, the items listed appear to be items that were not observed. Please clarify or indicate how each of the items listed were corrected.

This is to request that the report to be submitted covering the period from December 1989 thru November 1990 should be expanded to include the information discussed above for the timeframe of October 1987 to November 1990.

In accordance with License Condition No. 26 of your Source Material License, our office will expect the report within 30 days of of completion of the report.

To resolve the ambiguity of your current reporting requirement, please propose by February 1, 1991, a license change which will both explicitly define the information to be included in future reports currently required by License Condition No. 26, and which will establish an anniversary date for the submission of these reports.

If you have any questions please contact D. L. Jacoby of my staff at (303) 236-2805.

Sincerely,

/s/

Ramon E. Hall  
Director

bcc:

Docket File No. 40-8681  
PDR/DCS  
URFO r/f  
ABBeach, RIV  
LLC Branch, LLWM  
DJacoby  
DWard  
LAnderson, RCPD, UT  
8681/250R/420R/DLJ/90/11/27/L