



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION IV  
URANIUM RECOVERY FIELD OFFICE  
BOX 26326  
DENVER, COLORADO 80226

Docket No. 40-3453  
SUA-917

FEB 04 1994

Atlas Corporation  
ATTN: Mr. Richard Blubaugh  
Vice President of Environmental  
and Government Affairs  
370 Seventeenth Street, Suite 3150  
Denver, Colorado 80202

Dear Mr. Blubaugh:

SUBJECT: RESPONSE TO NRC NOTICE OF VIOLATION AND LICENSE AMENDMENT REQUEST

Thank you for your letter of January 19, 1994, in response to our Notice of Violation (NOV) dated December 28, 1993. In a telephone conversation with you on February 2, 1994, we discussed the need for Atlas to submit additional information in response to the NOV. Specifically, Atlas needs to reply to the four major areas of concern as directed in the Notice of Violation issued on December 28, 1994.

You requested in your January 19 letter that the NRC withdraw the NOV because you felt that an adjustment to the surety amount was not necessary until a revised reclamation plan is approved by the NRC. We are considering your justification for maintaining the surety amount at \$6.5M for the next year, making adjustment of the surety instrument unnecessary at this time. We will advise you of the results of our considerations. However, you are still in violation of License Condition No. 42, which requires Atlas to submit an annual update to the surety amount at least 3 months prior to the anniversary date, which is designated as December 31 of each year. This submittal must be made even if the surety amount remains unchanged.

In related business, as discussed with you in our telephone conversation on February 2, please submit a license amendment request to revise License Condition No. 42 to incorporate the new surety provider. Also, as stated in your January 19 letter and as discussed over the telephone, it appears that for Atlas to be eligible for reclamation reimbursement for Title X of the Energy Policy Act of 1992, a Standby Trust must be established. When amending the license for the surety provider, it would be an opportune time to incorporate the Standby Trust Agreement.

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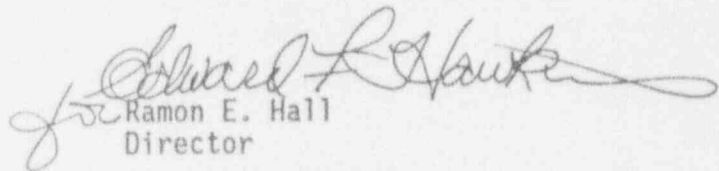
Atlas Corporation

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FEB 04 1994

Please submit to this office, within 14 days after receipt of this letter, a complete response to the NOV, and as part of that response you should request the required change to License Condition No. 42. If you have any questions concerning this matter please contact Dana C. Ward of my staff at (303) 231-5810.

Sincerely,

  
for Ramon E. Hall  
Director

cc:

D. Edwards, Atlas

W. Sinclair, RCPD, UT

bcc:  
Docket No. 40-3453  
PDR/DCS  
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DBSpitzberg, RIV  
LCamper, RIV  
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DCWard/ <i>lv</i>	EFHawkins	REHall <i>for</i>	JJHolonich	
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