

40-4492

RETURN ORIGINAL TO PDR, HQ.

MEMORANDUM

TO FILE : American Nuclear, Permit 352
 FROM : Mark Moxley, District II Supervisor
 DATE : January 9, 1991
 SUBJECT : Bond Evaluation

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 USNRC
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With the completion of Phase III-A of their project, ANC has requested that their bond be reduced. This request is detailed in Mr. Ferguson's letter of December 3, 1990. The work involved in Phase III-A and III-B was outlined in Mr. Ferguson's letter of August 14, 1990. Both DEQ-LQD and NRC approved of these phases in letters dated August 17, 1990 and September 11, 1990, respectively. My inspection of December 3, 1990 verified that the Phases III-A work has been completed.

The work in Phase III-A included grading the Pond No. 2 north dam and salvage of topsoil in the Pond No. 2 project area. They salvaged some 40,000 cy of topsoil in excess of the estimated quantity. They have asked to be credited for this additional topsoil salvagn and have proposed to reduce the topsoil salvage line item in Phase IV (Pond No. 1 construction) to offset the addition under Phase III-A. The calculation below reflects this adjustment in Phase IV with a 3% adjustment for inflation. All other phases remain as previously agreed.

The bond for the remaining work is estimated below.

Phase	Description	Cost
III-B (rev. 8/90)	Pond No. 2 Construction/Cover	\$1,193,826
IV (rev. 12/90)	Pond No. 1 Construction/Cover	690,060
V	Pond No. 2 Topsoil/Reveg. (201 ac.)	305,479
VI	Pond No. 1 Topsoil/Reveg. (60 ac.)	89,127
VII	Borrow/Diversion Topsoil/Reveg. (79 ac.)	119,995
VIII	Gen. Site Work/Fencing	31,315
	Subtotal	\$2,429,802
	DEQ-LQD Reveg. Retainer (67 ac.)	20,100
	NRC Long Term Surveillance Fee (1/91)	494,000
	Total Bond Requirement	\$2,943,902
	Current Bond	3,109,353
	Net Decrease	\$ 165,451

DESIGNATED ORIGINAL

MM:mm

xc: Rick Chancellor - Cheyenne DEQ-LQD
 Paul Michaud - NRC Denver
 John Ferguson - American Nuclear, Casper

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INSPECTION REPORT

RE : American Nuclear Corp., Permit 352

DATE OF INSPECTION: December 3, 1990

PARTICIPANTS : M. Moxley, S. Platt - Lander DEQ-LQD
Bill Salisbury - American Nuclear Corp.(ANC)

BY : Mark Moxley, District II Supervisor *MM*

This inspection was conducted to verify completion of Phase III-A of the reclamation work. This phase was described in Mr. Ferguson's letter of August 14, 1990 and included the grading of the Pond No. 2 north tailings dam and topsoil salvage from the Pond No. 2 construction area. A previous site visit on October 3, 1990 documented the Phase III-A work in progress.

All of the grading has now been completed on Tailings Pond No. 2. Mr. Ferguson's letter of December 7, 1990 included surveyed cross sections illustrating the Phase III-A work. In addition, ANC has also completed the topsoil stripping in the Pond No. 2 project area. This includes the areas around the toe of the tailings and also the Camp Site Draw Diversion channel. ANC's total topsoil stockpile inventory is now approximately 240,000 cy. The plan calls for stockpiling at least 272,000 cy to cover 340 acres with a minimum of 6 inches of topsoil. The remaining topsoil is planned to be salvaged from areas adjacent to Tailings Pond No. 1. A minimum of 32,000 cy will be salvaged. Additional topsoil can only enhance the reclamation of the site and every effort should be made to continue to save all topsoil that is available.

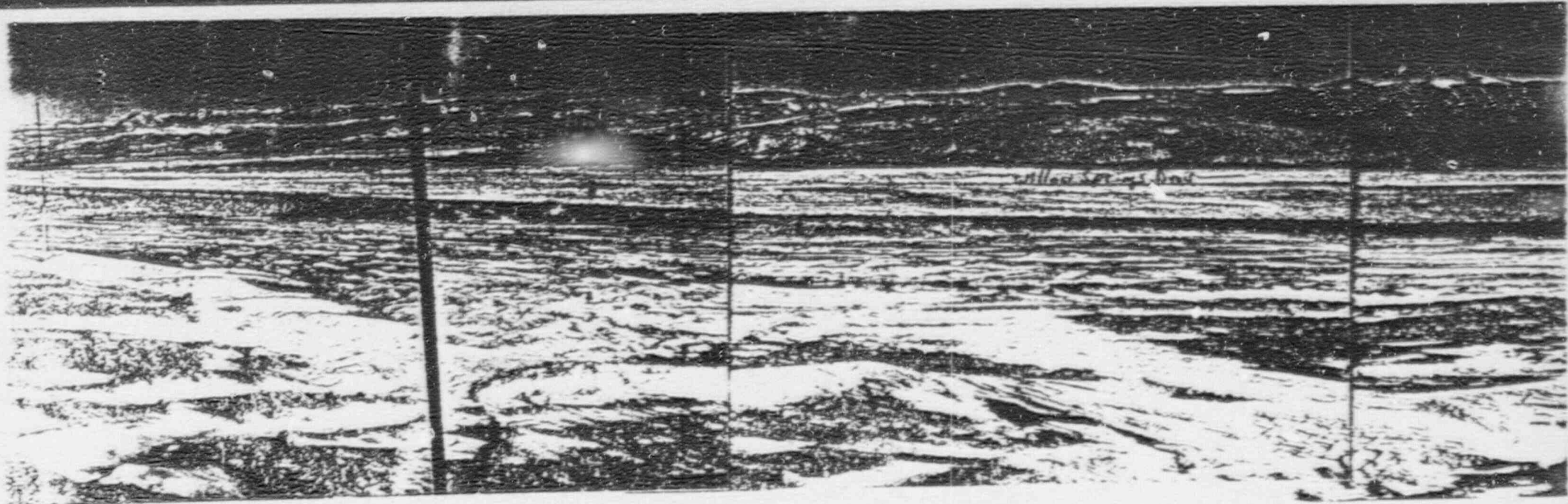
The attached photos show the Tailings Pond No. 2 area. See also file photos dated October 3, 1990 showing the work in progress. Based on the inspection and the surveyed cross sections submitted by ANC, it is recommended that funds for Phase III-A be released. A separate memo will be prepared to reevaluate the bonding requirement.

No problems were noted during this inspection. ANC is reminded that topsoil stockpiles should be seeded as soon as the weather allows this spring.

An annual inspection will be scheduled for early summer to evaluate in particular the progress of the revegetation on seeded areas and to inventory topsoil materials.

MM:mm

xc: Rick Chancellor - Cheyenne DEQ-LQD
Paul Michaud - NRC Denver
American Nuclear Corp., Casper

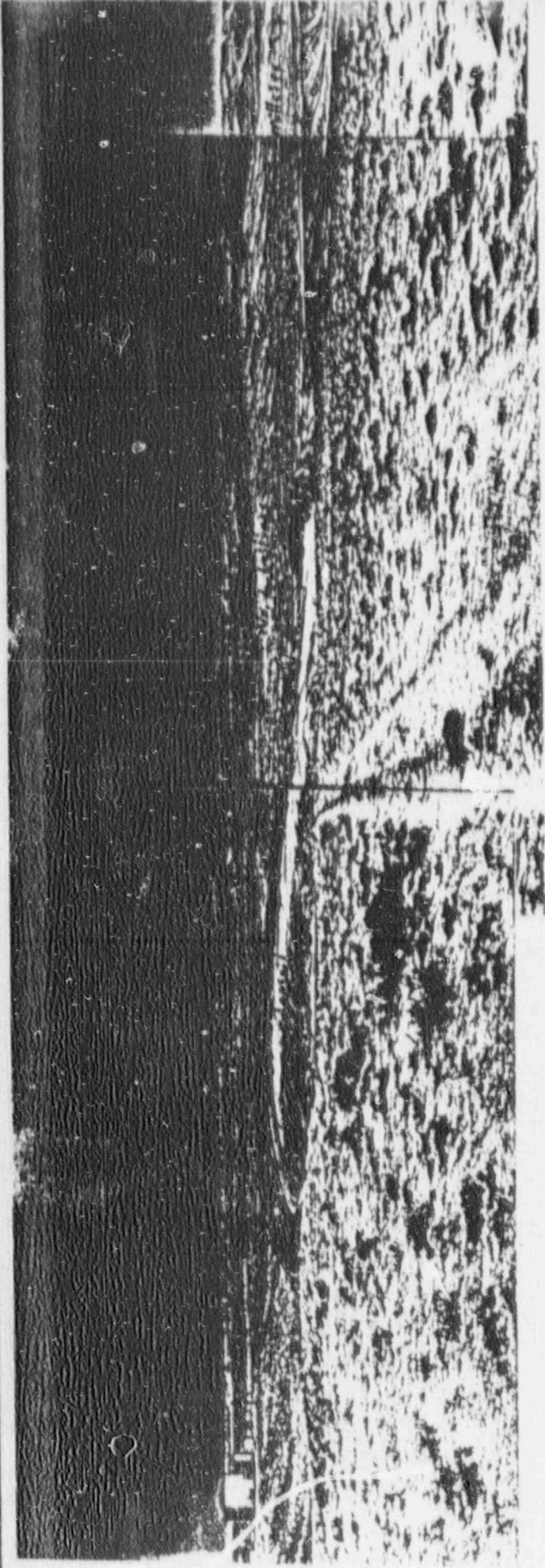


Looking northeast off the northeast corner of Tailings Pond No. 2. This is the approximate location of the cross section included in ANC's December 7, 1990 letter. The north tailings dam reduction, which occurred in Phase III-A of the project, started at this point and extended around the north side of the pond. As shown here, tailings and embankment material toes out against the access road. Placement of the required cover material will bury the road and will extend the 10:1 slope 100-200 feet east of the road. Frames 4-6, Roll 158660.

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Original photographs are available upon request, prepaid by the operator.



Looking northeast across Tailings Pond No. 2. The No. 2 tailings pond area is now graded and ready for cover placement. Topsoil has been stripped from all areas around the No. 2 tailings and from the Camp Site Draw Diversion channel. The Diversion channel is shown in the far right photo with arrows showing the alignment. This Diversion will carry any water flows around the former mill site area and into Willow Springs Draw. The topsoil stockpile on the left is new and resulted from the soil stripped from the Diversion channel. Frames 7-9, Roll 158660.

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BY : Mark Moxley, District II Supervisor JMB