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Docket No. 40-8681
040086811800

MEMORANDUM FOR: Docket File No. 40-8681
FROM: Daniel M. Gillen
Uranium Recovery Field Office
SUBJECT: MINUTES OF MEETING WITH ENERGY FUELS NUCLEAR (EFN),
DOCKET NO. 40-8681

Place and Date:

Silver Spring, Maryland, May 6, 1982

Purpose:

To discuss EFN's conceptual plans for development of a new tailings disposal plan, and EFN's surety requirements.

Participants:

NRC

D. Martin
J. Linehan
D. Gillen
T. Johnson
K. Hamill

EFN

M. Vincelette
E. Baker
G. Glasier
H. Roberts
EFN Consultant: M. Taylor
(D'Appolonia)

BACKGROUND:

Tailings Disposal Plan

In previous meetings, EFN has mentioned that due to the costs that they have experienced in constructing the tailings cells of the present tailings disposal plan, they have been investigating an alternative disposal scheme. EFN requested that a meeting be held in order for them

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to present their preliminary plans for development of an alternative program.

Surety Requirements

By letter dated June 12, 1980, EFN submitted a one-year Letter of Credit in fulfillment of NRC surety requirements. License Condition No. 29 was then amended (Amendment No. 4) to state details of this surety arrangement and to set requirements for EFN to submit revised or renewed surety arrangements prior to the expiration date of the Letter of Credit. EFN failed to adhere to this license requirement and the Letter of Credit expired on May 16, 1981. EFN's stated reason for their failure to meet the license condition is an inability to re-establish a surety arrangement. The staff then requested documented evidence of EFN's surety renewal efforts, and received information by submittals dated June 4, 1981, and November 23, 1981. The staff's review of the limited correspondence submitted by EFN indicated that a surety bond may be the only option which they seriously pursued.

To deal with this situation, Amendment No. 12 was issued to revise License Condition No. 29. In order for the staff to adequately evaluate the reported difficulties which Utah operators and EFN in particular were experiencing in obtaining surety bonds, Condition No. 29 was revised to require the licensee to submit copies of all correspondence regarding surety that had been sent to and received from bonding companies, banks and/or other organizations since efforts to obtain surety were begun. In addition, the revision set October 19, 1982, as the deadline by which time an acceptable surety arrangement shall be established in conformance with the Uranium Mill Tailings Radiation Control Act as amended, or appropriate enforcement action would be taken.

Furthermore, in the letter transmitting this amendment to EFN, the staff listed other surety options for the licensee's consideration, including a financial qualifications test similar to that established by EPA for closure of solid waste disposal sites. EFN wished to also discuss matters related to the issuance of Amendment No. 12 during the meeting.

DISCUSSION:

Following the opening introduction of all attendees and NRC's brief summary of the purpose of the meeting, E. Baker of EFN gave a short presentation of the reason EFN is proposing a new tailings disposal plan.

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The high cost of continuing the present plan, consisting of a series of synthetically lined relatively shallow tailings cells, was cited. Mr. Baker further stated that it is likely that the alternative proposal would be submitted sometime in 1983.

H. Roberts of EFN then gave a presentation of EFN's alternative tailings disposal concept. A tailings impoundment and evaporation pond that would be located approximately 4 miles south of the mill are being considered. The system would consist of a natural canyon enclosed by a large engineered embankment behind which tailings would be impounded, and a smaller embankment upstream of the tailings that would contain liquid decanted off the tailings for evaporation. Preliminary investigations have shown natural claystone to be present in the canyon bottom and sides. Diversion ditches would be constructed around the impoundments although the tailings area would be designed to retain PMF runoff from the approximately 1500 acre drainage area. A 4-mile pipeline would be designed to transmit the tailings from the mill to the new disposal area. Alarms, collection ditches and full time inspection of the line would be used to minimize any impacts from pipeline failure.

Following the presentation and a discussion of the concept, the staff concluded that long-term stability of the reclaimed tailings would likely be the key issue in a future review of the plan and therefore, must be looked at closely by EFN. The staff informed EFN that they would also have to include a comparative evaluation of impacts from both the original 6 cell plan and the new plan (3 cells and new disposal area). The staff further stated that review of the proposed licensing action would involve a major amendment request by EFN, an environmental impact appraisal by the staff and based on the results of the appraisal, possibly preparation of a full environmental impact statement.

In response to the NRC staff's Amendment No. 12, EFN submitted a request for hearing - not based on an objection to requirements for surety, but based on a concern that the NRC handle the surety requirements for other Utah licensee's in a similar manner. In addition, although Amendment No. 12 was not in effect pending resolution or withdrawal of the hearing request, EFN submitted copies of surety correspondence at the staff verbal request.

G. Glasier of EFN informed the staff that EFN is pursuing a surety that would employ a combination of methods, possibly including bond, cash or letter of credit and self-bonding under EPA financial qualifications criteria.

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The staff informed EFN that bonding on a year-to-year basis for the costs associated with each year would be acceptable, provided that renewals occur sufficiently in advance of surety expiration dates.

In a related issue, EFN indicated that they intend to submit, in the near future, an amendment request to reduce the tailings reclamation cover thickness. The staff stated that backup analyses addressing how the reduced cover would meet the performance objectives related to long-term stability and radon control must accompany the request.

The conclusions and commitments presented above were summarized and signed by the principal parties involved in the meeting (see attachment).

Original Signed by
D. M. Gillen

Daniel M. Gillen
Uranium Recovery Field Office

Approved By:

Original Signed by
J. J. Linehan

John J. Linehan, Section Leader
Uranium Recovery Field Office

Enclosure:
Hand-Written Meeting Minutes

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Meeting with Energy Fuels Nuclear (EFN)

May 6, 1982

Silver Spring, Md.

Summary of Conclusions and Commitments

Based on discussions regarding a conceptual plan for a new tailings disposal area approximately 3 miles from the White Mesa Mill, it was concluded that long-term stability of the reclaimed tailings would likely be a key issue over a future review of the plan. EFN personnel will attempt to meet with R. Scurano and J. Nelson in New Mexico next week to further discuss the new concept with respect to long-term stability.

EFN indicated that they intend to submit, in the near future, an amendment request (with back-up report addressing the performance objectives related to long-term stability and erosion rate) to reduce the tailings reclamation cover from the present designed thickness of approximately 13 feet to a thickness of about 7.5 feet. The NRC staff will respond with a tentative review schedule within three weeks of receipt of the amendment request.

In response to the NRC staff's amendment #12 of the White Mesa license (surety condition) EFN acted as follows:

a) a request for a hearing regarding the license amendment was submitted. EFN stated that the hearing request was not based on an objection to requirements for surety, but was based on a concern that the NRC staff handle the surety requirements for other Utah licenses in a similar manner.

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b) Notwithstanding the fact that amendment #12 is not effective pending resolution of withdrawal of the hearing request, EFN submitted copies of surety correspondence at the staff's verbal request. EFN further indicated that they are pursuing a surety that would employ a combination of methods, possibly including bond, cash or letter of credit and self-bonding under EPA financial qualifications criteria. In addition, recent communications between EFN and bonding brokers shows that if the following issues are addressed, a bond might be obtainable:

- a) partial bonding
- b) specificity of liability in terms of activities covered
- c) long-term nature of the commitment
- d) specific release provisions.

With regard to reclamation costs, the NRC staff concluded that EFN can bond on a year-to-year basis for the costs accrued with that year, provided renewals occur sufficiently in advance of surety expiration dates.

Don E. Martin

5/6/82

David M. Allen 5-6-82

Kathleen Hamill 5/6/82

George E. Harris 5/6/82

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