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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D. C. 20555-0001

September 27, 1994

Mr. Richard A. Chancellor, Acting Administrator
Land Quality Division
Wyoming Department of Environmental Quality
Herschler Building, 122 West 25th Street
Cheyenne, Wyoming 82002

SUBJECT: RECLAMATION OF AMERICAN NUCLEAR CORPORATION'S GAS HILLS SITE

Dear Mr. Chancellor:

This letter responds to your letter, dated July 21, 1994, to Mr. Robert Bernero, concerning reclamation of American Nuclear Corporation's (ANC) Gas Hills, Wyoming, uranium mill site. In your letter, you state that the Wyoming Department of Environmental Quality (DEQ) is prepared to undertake reclamation of the site and, if necessary, become the licensee. In order to reclaim the site, you stated that DEQ will require timely U. S. Nuclear Regulatory Commission action on a number of issues.

The contents of your July 21, 1994, letter were discussed in a telephone conference call between Bill Salisbury of ANC, Mark Moxley of DEQ and myself and other NRC staff on August 4, 1994. The NRC recommended that ANC and DEQ jointly request that ANC's license for the Gas Hills site be transferred to DEQ through a license amendment.

The NRC will provide DEQ with timely support as requested, commensurate with its resources and other commitments. As required, NRC personnel will meet with DEQ personnel to resolve questions and keep paperwork to a minimum. NRC responses to the specific items listed in your July 21, 1994 letter are as follows:

1. Resolution of the comments on ANC's modified reclamation plan transmitted to ANC by NRC letter dated March 11, 1994, can begin when DEQ and its consultants are prepared to discuss the comments. The NRC requests at least two week notification to schedule personnel to evaluate responses or participate in resolution meetings.
2. NRC review of the ANC Ground Water Corrective Action Plan and request for Alternate Concentration Limits will commence as soon as appropriate technical staff are available.
3. As discussed in the telephone conversation between ANC, DEQ and NRC on August 4, 1994, the NRC recommends that DEQ request

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revisions to the environmental monitoring requirements embedded in the present ANC license when the joint ANC/DEQ request for DEQ to assume the license is submitted.

- 4. As discussed in the August 4, 1994, telephone conversation, a settlement analysis must be submitted for NRC review and concurrence prior to placement of final radon barrier.
- 5. DEQ's request that the NRC waive license fees was approved by R. Scroggins' letter to you dated September 6, 1994. As indicated in Mr. Scroggins' letter, this waiver is only for 10 CFR Part 171 fees. Because the ANC license permits the disposal of 11e.(2) by-product material from in-situ mining operations, DEQ would be subject to an annual fee unless that condition is removed from the license.

If you have any questions concerning this letter, please contact Ken Hooks, the NRC Project Manager for ANC's Gas Hills site, at (301) 415-7777.

Sincerely,

/s/

Joseph J. Holonich, Chief
High-Level Waste and Uranium
Recovery Projects Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

cc: W. Salisbury, ANC

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