

LR:CGW
40-1376

MAR 15 1962

Texas-Zinc Minerals Corporation
P. O. Box 1749
Grand Junction, Colorado

Attention: Mr. N. E. Banks, President

Gentlemen:

This refers to the inspection conducted August 8 and 9, 1961, at your Uranium Ore Processing mill, Mexican Hat, Utah, operated under AEC Source Material License W.O. E-185.

It appears that certain of your activities were not conducted in full compliance with the requirements of the AEC's "Standards for Protection Against Radiation," Part 20, Title 10, Code of Federal Regulations, in that:

1. Concentrations of radioactivity released to unrestricted areas in (a) the neutralized raffinate stream and (b) the open drainage ditch, when averaged over a period of one year exceeds the limits specified in 10 CFR 20, Appendix B, Table II, Column 2, in violation of Section 20.106(b), "Concentrations in effluents to unrestricted areas."
2. Environmental air surveys conducted pursuant to Section 20.201(b), "Surveys," were not sufficient to determine compliance with Section 20.106(b), "Concentrations in effluents to unrestricted areas."

Pursuant to the provisions of Section 2.201, "Notice of violation," of the AEC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, you are required to notify this office in writing within

REGISTERED MAIL
RETURN RECEIPT REQUESTED

7808280179 620315
PDR ADOCK 040*****
C PDR

OFFICE ►
SURNAME ►
DATE ►

MAR 15 1962

thirty days of your receipt of this notice, admitting or denying the alleged violations, the reasons for the violations if admitted, the corrective steps taken or to be instituted in achieving correction and preventing further violations, and the date when full compliance has been or will be achieved.

With respect to Item 1(a), it is noted that by letter dated March 14, 1961, you requested Commission authorization to continue discharging the neutralized raffinate to unrestricted areas. Your request is being considered by the Commission.

We note that the AEC inspector collected samples of liquids which seep from the tailings pond and that analysis of these samples indicated that concentrations of Radium 226 and Thorium 230 exceeded limits specified in 10 CFR 20, Appendix B, Table II, Column 2 by a factor of 8.6 and 3 respectively. These results do not agree with effluent sampling data contained in your quarterly radiation reports dated January 8, 1962 and February 23, 1962, which indicate that concentrations of radioactivity in the pond seepage are within the limits specified in 10 CFR 20. In view of this finding, you are requested to re-evaluate the concentrations of radioactive material in seepage effluents and present the results of this analysis in your reply to this letter. The analysis should include data on seasonal flow rates and show how concentrations vary with flow rates.

Very truly yours,

Eber R. Price
Assistant Director
Division of Licensing
and Regulation

Enclosures:

1. 10 CFR 20
2. 10 CFR 2

bcc: Compliance Division, HQ
Compliance Division, IV
Public Document Room - to B. Jones for upholding

OFFICE ▶	LR:EB CGW:irm:REC	LR ERPrice			
SURNAME ▶	CGW REC				
DATE ▶	3-13-62				