

NUCLEAR REGULATORY COMMISSION

DOCKET NO. 40-8912

GRACE ESTATE.

AGENCY: Nuclear Regulatory Commission.

ACTION: Final Finding of No Significant Impact and
Notice of Opportunity for Hearing.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) proposes to amend NRC Source Material License SUA-1480 to authorize the licensee, the estate of Michael P. Grace (Grace Estate), to perform radiological cleanup and surface reclamation of three non-operating uranium extraction sites in New Mexico. Site 1 is located approximately 20 miles northeast of Gallup, New Mexico. Site 2 is located near Bibo, New Mexico. Site 3 is located approximately 20 miles northwest of Magdalena, New Mexico. This license currently authorizes the Grace Estate to possess, at the three sites, byproduct material in the form of uranium waste tailings, as well as other radioactive wastes generated by past operations. An Environmental Assessment (EA) was performed by the NRC staff in support of its review of the Grace Estate's license amendment request, in accordance with the requirements of Title 10, Code of Federal Regulations (10 CFR) Part 51. The conclusion of the EA is a Finding of No Significant Impact (FONSI) for the proposed licensing action.

FOR FURTHER INFORMATION CONTACT: Ken Hooks, Uranium Recovery Branch, Mail Stop TWFN 7-J9, Division of Waste Management, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555. Telephone 301/415-7777. E-mail: KRH1@NRC.GOV

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SUPPLEMENTARY INFORMATION:

Background

Three sites in New Mexico, which were once uranium extraction sites, and are no longer in operation, are now administered by the Estate of Michael P. Grace (licensee). The estate is represented by Jon J. Indall of Comeau, Maldegen, Templeman and Indall, LLP, in Santa Fe, New Mexico. Site 1, approximately 3 acres, was an in situ leach operation approximately 20 miles northeast of Gallup, New Mexico. Site 2, approximately 11 acres, was an in situ leach operation near Bibo, New Mexico. Site 3, approximately 160 acres, was a heap leach operation located approximately 20 miles northwest of Magdalen, New Mexico.

The licensee proposes to reclaim the sites by plugging or capping existing wells and removing the contaminated material at each of the three sites for disposal at an existing uranium mill and tailings site licensed by the NRC. The estimated amount of contaminated material to be removed during the radiological cleanup is 6 cubic yards at each of Sites 1 and 2, and 800 cubic yards at Site 3. The sites will be cleaned up to the extent necessary to comply with regulatory standards. Subsequent to verification of the radiological cleanup, excavated areas will be filled with local material, regraded to approximate original contours, and planted with native grasses. Wells on the three sites will be plugged or capped for future use for livestock watering in accordance with State of New Mexico requirements.

The Environmental Assessment

The NRC staff performed an assessment of the environmental impacts associated with the radiological cleanup of the three Grace Estate sites, in accordance with 10 CFR Part 51, Licensing and Regulatory Policy Procedures for Environmental Protection. In conducting its

assessment, the NRC staff considered amending the license to allow radiological cleanup of the sites, and denying the amendment. The staff also consulted with the New Mexico Environment Department, the New Mexico State Historical Preservation Officer, and the U.S. Fish and Wildlife Service. The technical aspects of the reclamation plan are discussed separately in a Technical Evaluation Report (TER) that will accompany the final agency licensing action.

Environmental Assessment Conclusions

The results of the staff's assessment are documented in an Environmental Assessment placed in the docket file. Based on its review, the NRC staff determined that the proposed radiological cleanup of the three sites and disposal of the contaminated material at a licensed uranium mill and tailings site can be accomplished with no significant environmental impacts or effects on worker or public health and safety, and is consistent with Criterion 2 of 10 CFR 40, Appendix A.

Because the staff has determined that there will be no significant impacts associated with approval of the license amendment, there can be no disproportionately high and adverse effects or impacts on minority and low income populations. Consequently, further evaluation of Environmental Justice concerns, as outlined in Executive Order 12898 and NRC's Office of Nuclear Material Safety and Safeguards Policy and Procedures Letter 1-50, Revision 1, is not warranted.

Alternatives to the Proposed Action

Denial of the proposed action would result in the contaminated material remaining on the sites and the continued existence of whatever hazards may be due to the material, or the material being reclaimed in place. On-site reclamation would result in the sites being placed

under State of New Mexico or U.S. Department of Energy control for long-term surveillance and monitoring, with possible future maintenance requirements, requiring continuing expenditure of funds and no significant reduction in effects on the environment or worker or public health and safety.

FINDING OF NO SIGNIFICANT IMPACT

The NRC staff has prepared an EA for the proposed amendment of NRC Source Material License SUA-1480. On the basis of this assessment, the NRC staff has concluded that the environmental impacts that may result from the proposed action would not be significant and, therefore, preparation of an Environmental Impact Statement is not warranted.

The EA and other documents related to this proposed action are available for public inspection and copying at the NRC Public Document Room, in the Gelman Building (lower level), 2120 L Street N.W., Washington, DC 20555.

Notice of Opportunity for Hearing

The Commission hereby provides notice that this is a proceeding on an application for a licensing action falling within the scope of Subpart L, "Informal Hearing Procedures for Adjudications in Materials and Operators Licensing Proceedings," of the Commission's Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders in 10 CFR Part 2. Pursuant to § 2.1205(a), any person whose interest may be affected by this proceeding may file a request for a hearing. In accordance with § 2.1205(c), a request for a hearing must be filed within thirty (30) days from the date of publication of this Federal Register notice. The request for a hearing must be filed with the Office of the Secretary either:

(1) By delivery to the Rulemakings and Adjudications Staff of the Office of the Secretary at One White Flint North, 11555 Rockville Pike, Rockville, MD 20852, between 7:30 a.m. and 4:15 p.m., Federal workdays; or

(2) By mail or telegram addressed to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Rulemakings and Adjudications Staff.

Each request for a hearing must also be served by delivering it personally, or by mail, to:

(1) The applicant, Estate of Michael P. Grace, in care of Jon J. Indall, Comeau, Maldegen, Tempelman & Indall, LLP, Coronado Building, 141 E. Palace Avenue, Post Office Box 669, Santa Fe, New Mexico 87504-0669.

(2) The NRC staff, by delivery to the Executive Director of Operations, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852, between 7:30 a.m. and 4:15 p.m., Federal workdays; or

(3) By mail addressed to the Executive Director for Operations, U.S. Nuclear Regulatory Commission, Washington, DC 20555.

In addition to meeting other applicable requirements of 10 CFR Part 2 of the Commission's regulations, a request for a hearing filed by a person other than an applicant must describe in detail:

(1) The interest of the requestor in the proceeding;

(2) How that interest may be affected by the results of the proceeding, including the reasons why the requestor should be permitted a hearing, with particular reference to the factors set out in § 2.1205(g);

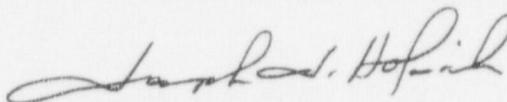
(3) The requestor's areas of concern about the licensing activity that is the subject matter of the proceeding; and

(4) The circumstances establishing that the request for a hearing is timely in accordance with § 2.1205(c).

Any hearing request that is granted will be held in accordance with the Commission's "Informal Hearing Procedures for Adjudications in Materials and Operator Licensing Proceedings" in 10 CFR Part 2, Subpart L.

Dated at Rockville, Maryland, this *8th* day of September 1998.

FOR THE NUCLEAR REGULATORY COMMISSION



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