



UNITED STATES
NUCLEAR REGULATORY COMMISSION
 WASHINGTON, D.C. 20555-0001

June 24, 1999

Mr. Richard E. Blubaugh
 Vice President of Environmental
 and Government Affairs
 Atlas Corporation
 370 Seventeenth Street, Suite 3140
 Denver, CO 80202

SUBJECT: APPROVAL OF LICENSE AMENDMENT REQUEST TO PERMIT THE
 INSTALLATION OF A NEW GAS PIPELINE WITHIN THE RESTRICTED AREA, IN
 LICENSE SUA-917 FOR THE MOAB, UTAH, URANIUM MILL - AMENDMENT
 NUMBER 31

Dear Mr. Blubaugh:

The U.S. Nuclear Regulatory Commission (NRC) staff is amending Source Material License Number SUA-917, issued to Atlas Corporation for the Moab, Utah, uranium mill site. LC 57 is being added to allow the installation of the new gas pipeline by Mid-Atlantic Pipeline Company (MAPCO) within the restricted area.

By letter dated April 20, 1999, Atlas requested that License No. SUA-917 be amended to permit MAPCO to install a new gas pipeline in its existing easement across Atlas' property and within the restricted area of the site. A description of the proposed action is contained in Atlas' April 20, 1999, letter to King Stablein, its May 14, 1999, response to NRC staff's questions transmitted on May 3, 1999, and enclosures to both letters.

The Technical Evaluation Report (Enclosure 1) contains NRC's assessment of the licensing action and the recommended license change. Our review identified three conditions that we concluded needed to be incorporated into the license. In your telephone conversation of June 16, 1999, with Myron Fliegel, the NRC project manager for Atlas, you agreed to those conditions.

An environmental assessment for this action is not required, since it is categorically excluded under 10 CFR 51.22 (c)(11); in addition, an environmental report from the licensee is not required under 10 CFR 51.60 (b)(2).

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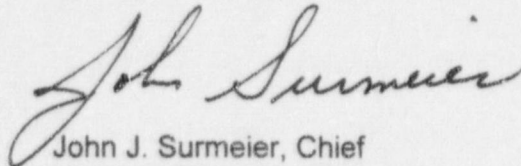
R. Blübaugh

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June 24, 1999

The license is being amended and reissued to incorporate the changes identified above. The license is enclosed as (Enclosure 2). If you have any questions, please contact me or Myron Flieger. I can be reached at (310) 415-7238 and Dr. Flieger at (301) 415-6629.

Sincerely,

A handwritten signature in cursive script, reading "John J. Surmeier".

John J. Surmeier, Chief
Uranium Recovery and
Low-Level Waste Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Docket No. 40-3453
Source Material License No. SUA-917
Amendment No. 30

Enclosures: As stated

cc: See attached list

Addressees for Letter Dated: June 24, 1999

Sylvia Barrett
Metropolitan Water District of
Southern California
700 Moreno Avenue
LaVerne, California 91750

R.L. Christie, ATL
P.O. Box 1366
Moab, Utah 84532

John E. Cook, Reg. Dir.
Rocky Mountain Region
National Park Service
U.S. Department of the Interior
12795 Alameda Parkway
P.O. Box 25287
Denver, Colorado 80225-0287

Walt Dabney, Superintendent
Canyonlands National Park
National Park Service
2282 S. West Resource Blvd.
Moab, Utah 84532

Susan Daggett
Earthjustice Legal Defense Fund, Inc.
1631 Glenarm Place, Suite 300
Denver, Colorado 80202

Dale Edwards
Radiation Protection Coordinator
Atlas Corporation
P.O. Box 1207
Moab, Utah 84532

Grand County Library
25 South 100 East
Moab, Utah 84532

Reed Harris
U.S. Fish and Wildlife Service
Lincoln Plaza, Suite 404
Salt Lake City, Utah 84115

Dave Hutchenson
Grand County Administrator
125 East Center
Moab, Utah 84533

Dan Kimball, Chief
Water Resources Division
National Park Service
U.S. Department of Interior
1201 Oakridge Drive, Suite 250
Fort Collins, Colorado 80525

William Lamb
Associate State Director
Bureau of Land Management
324 South State Street
Salt Lake City, Utah 84111-2303

Milton K. Lammering
U.S. Environmental Protection Agency
Region VII
999 18th Street, Suite 500
Denver, Colorado 80202-2405

Bart Leavitt
Grand County Council
125 East Center
Moab, Utah 84533

Al McLeod
Grand County Council
125 East Center
Moab, Utah 84533

Harvey Merrill
Grand County Council
125 East Center
Moab, Utah 84533

Marcia Moore
W0760
Bureau of Land Management
1849 C Street, NW
Washington, DC 20240

Kerry Moss
National Park Service
Mining and Minerals Branch
P.O. Box 25287
Denver, Colorado 80236

Vijai Rai
Senior Environmental Review Officer
Office of Environmental Policy and
Compliance
U.S. Department of the Interior
1849 C Street, NW
Mail Stop 2340
Washington, DC 20240

Steve Rauzi
416 West Congress #100
Tucson, Arizona 85701

Robert M. Reed, Supervisor
Environmental Analysis and
Assessment Section
Oak Ridge National Laboratory
Bethel Valley Road
P.O. Box 2008
Oak Ridge, Tennessee 37831-6200

Gabrielle Sigel
Jenner & Block
One IBM Plaza
Chicago, Illinois 60611

William J. Sinclair, Director
Division of Radiation Control
Department of Environmental Quality
State of Utah
168 North 1950 West
P.O. Box 144850
Salt Lake City, Utah 84114-4850

Anthony J. Thompson
Shaw, Pittman, Potts & Trowbridge
2300 N Street, N.W.
Washington, DC 20037-1128

Christine Turk, Chief
Branch of Compliance
National Park Service
12795 W. Alameda Parkway
P.O. Box 25287
Denver, Colorado 80225

Joe Webster
U.S. Fish and Wildlife Service
Region 6
P.O. Box 25486
Denver Federal Center
134 Union, Suite 400
Lakewood, Colorado 80225-0486

Wes Wilson
U.S. EPA - Region III
999 18th Street, Suite 500
Denver, Colorado 80202-2405

TECHNICAL EVALUATION REPORT

DOCKET NO. 40-3453 LICENSE NO. SUA-917

LICENSEE: Atlas Corporation
FACILITY: Atlas Moab Uranium Mill
PROJECT MANAGER: Myron Fliegel
TECHNICAL REVIEWER: John Lusher

SUMMARY AND CONCLUSIONS:

By letter dated April 20, 1999, Atlas Corporation submitted a license amendment request, to amend Source Material License No. SUA-917 to permit Mid-Atlantic Pipeline Company (MAPCO) to install a new gas pipe line in its existing easement across Atlas' property and within the restricted area of the Atlas mill and tailings site. Additional information supporting the request was submitted by letter dated May 14, 1999.

In conducting the review, the NRC staff considered the information and data provided by Atlas and MAPCO in its request and reviewed the material for compliance with conditions in SUA-917 and with Atlas' commitments in its approved license application and reclamation plan.

Based on its review, the NRC staff has concluded that the cleanup and temporary storage of the contaminated materials for the approximately 150 feet by 1,400 feet area for the gas pipeline is acceptable.

DESCRIPTION OF LICENSEE'S AMENDMENT REQUEST:

The licensee requested that the license be amended to permit MAPCO to install a new gas pipeline in its existing easement across Atlas' property and within the restricted area of the site. A description of the proposed is contained in Atlas' April 20, 1999, letter to King Stablein, its May 14, 1999, response to Nuclear Regulatory Commission staff questions transmitted on May 3, 1999, and attachments to both letters.

TECHNICAL EVALUATION:

MAPCO desires to exercise its option of laying a gas pipeline across the northeastern edge of the site, within a 30-foot-wide easement along State Highway 190. A corridor up to 150 feet wide and 1400 feet long will be decontaminated prior to laying the pipe. The corridor passes through areas of the site where ore handling was the primary activity but does not encroach upon the tailings pile.

Atlas and MAPCO indicated that the contaminated soil removed from the project area due to surface cleaning and excavation will be placed, temporarily, in the area identified as the ore storage area during normal operations. This area is north-north-east of the tailings pile. This is

a central location relative to the project area most likely to yield contaminated soil. Additionally, this location was selected because; 1) historically, the area was used as an ore storage area and already has some contaminated soils; 2) this area is hydrologically down-gradient from the project area, thus, would not be a potential source for recontamination of the cleaned soil placed in the pipeline trench; 3) the area is identified in Atlas' Final Reclamation Plan as a mill area requiring removal of surface decontamination, consequently, as part of final reclamation, the soil stockpiled as result of the pipeline project will be removed and placed on the tailings pile as part of the affected soil layer; and 4) access to the area is convenient and no additional surface for road construction will be necessary.

Atlas and MAPCO anticipate that the amount of contaminated soil will be small, less than 5,000 cubic yards, and that the level of contamination will be low since any contaminated soil will be substantially diluted with clean soil removed by the construction equipment used for the pipeline project. Further, as stated above, the storage of this soil will be temporary. This soil will be excavated and placed on the tailings pile later as part of the surface decontamination of the mill site, in accordance with the Final Reclamation Plan. In the interim, as stated in Section 4.0 Restoration of the submitted plan, "Installation of the New Gas Pipeline within Restricted Area of the Atlas Mill Tailings Site":

All contaminated material will be consolidated in a low profile pile and stabilized with a chemical stabilizer, soil cover or synthetic cover.

With regard to the requirements contained in Criterion 6 of 10 CFR Part 40, Appendix A, Atlas states that the small amount of slightly contaminated soil that will be temporarily stockpiled will be either byproduct contaminated material or it may simply be soil, due to the dilution with uncontaminated soil. In any event, Atlas believes that this small volume of material will not present a risk to human health or the environment incremental to the soil upon which it will be placed. Atlas, therefore, concludes that compliance with the reclamation requirements and deadlines set forth in License No. SUA-917 with regard to final reclamation will likewise address final reclamation concerns for the soil resulting from the MAPCO pipeline project. The NRC staff finds this to be generally acceptable. However, in order to minimize the likelihood of erosion of the temporary pile, the staff recommends that it be compacted and covered with at least one foot of clean soil. This will be included as a license condition.

Atlas and MAPCO indicated that prior to placement of the clean trench material as backfill, a gamma survey of the pile of fill material (i.e., the clean soil) will be conducted. Any anomaly above the gamma action level will be investigated via soil sampling and on-site gamma spectral analysis. Only soil with Ra-226 concentrations less than 5 pCi/g plus background will be used for backfill. The NRC staff finds this to be acceptable. To ensure that this is clearly understood, it will be included as a license condition.

Atlas has confirmed that it recognizes that the responsibility for radiation safety and contamination control within the restricted area clearly resides with the licensee. The licensee's radiation safety officer will assure that the activities and personnel of MAPCO and its subcontractors, agents or any other individual within the restricted area are in compliance with

the license requirements for radiation safety, contamination control and that the exposures will be maintained as low as reasonably achievable (ALARA). The NRC staff finds this to be acceptable. However, to ensure that this is clearly understood, it will be included as a license condition.

RECOMMENDED LICENSE CHANGE

The staff recommends that Source Material License SUA-917 be amended to incorporate permission to install a new gas line by adding License Condition No. 57 to read as follows:

57. The licensee and Mid-Atlantic Pipeline Company are authorized to cleanup a corridor up to 150 feet wide and 1400 feet long prior to laying pipe in the pipeline right-of-way and install the new gas pipeline within the restricted area in conformance with submittals dated April 20, 1999, and May 14, 1999, with the following restrictions and modifications:
- A. The RCC, shall oversee and/or direct work in accordance with licensee radiation control procedures to ensure ALARA and radiation safety to all individuals in the restricted area.
 - B. All contaminated material will be consolidated in the old ore storage area as a low profile pile, compacted, and stabilized with a cover of at least one foot of clean soil.
 - C. Only clean fill material (5 pCi/g Ra-226 above background or less) will be used to back fill the pipeline trench. Prior to placement of the clean trench material as back fill, a gamma survey of the pile of fill material (i.e., the clean soil) will be conducted.

ENVIRONMENTAL ASSESSMENT EVALUATION:

The potential environmental impacts of the cleanup of the area identified as the gas pipeline area have been assessed and determined to be acceptable through NRC's review and issuance of NUREG-1531, "Final Environmental Impact Statement Related to Reclamation of the Uranium Mill Tailings at the Atlas Site, Moab, Utah." The requirements for a categorical exclusion in 10 CFR 51.22(c) (11) have been met, because: (1) there is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite; (2) there is no significant increase in individual or cumulative occupational radiation exposure; (3) there is no significant construction impact; and (4) there is no significant increase in the potential for or consequences from radiological accidents. In addition, an environmental report from the licensee is not required under 10 CFR 51.60(b)(2) because there will not be (1) a significant expansion of the site; (2) a significant change in the types of effluents; (3) a significant change in the amounts of effluents; (4) a significant increase in individual or cumulative occupational radiation exposure; (5) a significant increase in the potential for or consequences from radiological accidents; or (6) a significant increase in spent fuel storage capacity, in a license or other form of permission to conduct an activity involving possession and use of source material for uranium milling pursuant to 10 CFR Part 40.