



State of Utah

DEPARTMENT OF ENVIRONMENTAL QUALITY DIVISION OF WATER QUALITY

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Don A. Ostler, P.E.
Executive Secretary

Certified Mail

(return receipt requested)

November 20, 1997

Mr. Richard Blubaugh
Vice President, Environmental and Governmental Affairs
Atlas Corporation
370 Seventeenth Street, Suite 3150
Denver, CO 80202

40-3453

Re: Atlas Uranium Mill Tailings, Moab, Utah; Schedule Modification for Required Submittals:
Notice to Submit Required Schedule in 30 Days.

Dear Mr. Blubaugh:

In a letter of January 8, 1997, the Division of Water Quality (DWQ) agreed to the submittal of a schedule for submission of a Ground Water Contaminant Investigation (GWCI) Report and a Ground Water Corrective Action (GWCA) Plan could be deferred until after NRC issuance of a Final Environmental Impact Statement (FEIS). This schedule deferral was approved by DWQ in response to a November 14, 1996 request from Atlas counsel, Mr. James Holtkamp. Central to Mr. Holtkamp's request was the concept that this deferral of State-mandated action on groundwater issues would avoid complications of "... inconsistent requirements and ... thorny jurisdictional issues".

At the time of our January 8, 1997 agreement to defer, it was our understanding that the NRC would publish the FEIS sometime in March, 1997. Obviously, that time has long since passed and the FEIS has yet to be published.

Since our January 8, 1997 schedule modification, intensive DWQ water quality sampling and analysis has been conducted of the Colorado River in the immediate vicinity of the tailings pile. These samples collected January, 1997 have shown the tailings pile has caused local river water quality to exceed State water quality standards, and thus resolution of these issues does not appear to be achievable through the NRC process. DWQ advised NRC that the river exceeded State water quality standards in a letter of October 9, 1997. A copy of this letter was also sent to Atlas.

The authority and responsibility to protect the Colorado River resides within DWQ. Based on the lack of NRC authority over matters of Colorado River water quality, lack of publication of the FEIS,

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hydraulic connection of contaminated groundwater at the pile with the Colorado River, and the adverse impact of the tailings pile on river water quality recently evidenced by DWQ sampling; we have concluded that deferral of State action in this matter to NRC time lines and milestones is no longer appropriate.

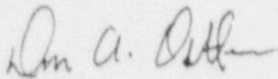
Notice to Submit a New Schedule

Pursuant to UAC R317-6-6.15C.1, Atlas is hereby required to submit within 30 days of receipt of this notice a proposed schedule for submission of the GWCI Report and the GWCA Plan. After review of this Atlas schedule, the Executive Secretary may approve, reject, or modify it.

If you have any questions regarding this notice or the Utah groundwater corrective action order process, please call Dennis Frederick of my staff at (801) 538-6146, or Loren Morton at the Division of Radiation Control at (801) 536-4262.

We appreciate your cooperation in resolution of the Atlas uranium mill tailings reclamation plan and in your efforts to protect Utah water resources.

Sincerely,



Don A. Ostler, P.E.
Executive Secretary
Utah Water Quality Board

DAO/LBM/LJM:lm/fb

cc: Dianne Nielson, DEQ
Bill Sinclair, DRC
Loren Morton, DRC
Denise Chancellor, Attorney General
Mike Fliegcl, NRC
James Holtkamp, Stoel Rives
George Robinson, Harding Lawson Associates
Grand County Council
Southeastern District Health Department
Dave Arriotti, District Engineer



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ADDRESS CORRECTION REQUESTED



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