



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

May 28, 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 REVISED RECLAMATION PLAN AND EXTENSION OF
MILESTONE DATE IN LICENSE SUA-917 FOR THE MOAB, UTAH, URANIUM
MILL - AMENDMENT NUMBER 30

Dear Mr. Blubaugh:

The U.S. Nuclear Regulatory Commission (NRC) staff is amending License Conditions (LCs) 41, 55, and 56 of Source Material License Number SUA-917, for the Moab, Utah, uranium mill site. LC 41 is being modified to require reclamation of the tailings disposal area in accordance with Atlas Corporation's October 1996 reclamation plan, with additional specified conditions. LC 55B.(2) is being modified to revise the projected date for completion of ground-water corrective actions to July 31, 2006. LC 56 is being modified to reflect a change in NRC's organization.

By letter dated August 2, 1988, Atlas submitted a revised reclamation plan, to supersede the May 1981 plan identified in LC 41, for NRC's review and approval. After extensive review and interaction between NRC and Atlas and considerable public involvement, Atlas submitted a modified version, "Final Reclamation Plan, Atlas Corporation Uranium Mill and Tailings Disposal Area," in October 1996. The staff's assessment of the plan's compliance with NRC regulatory requirements is contained in NUREG-1532, "Final Technical Evaluation Report for the Proposed Revised Reclamation Plan for the Atlas Corporation Moab Mill," March 1997 and Supplement 1 to NUREG-1532, April 1999. The environmental impacts of the proposed reclamation were evaluated in NUREG-1531, "Final Environmental Impact Statement Related to Reclamation of the Uranium Mill Tailings at the Atlas Site, Moab, Utah," March 1999. Copies of those documents were sent to you previously.

By letter dated March 2, 1999, NRC identified 7 conditions that we would require Atlas to commit to in order for us to amend LC 41. By letter dated April 15, 1999, Atlas agreed to the conditions with revisions to two dates specified in the conditions. Those revised dates are based on the projected schedule of the Atlas bankruptcy proceeding and are acceptable to NRC. The revision to LC 41, therefore, contains the conditions identified in the March 2 letter with the dates modified to those in Atlas' April 15 letter.

By letter dated December 22, 1998, Atlas requested that the date, in LC 55B.(2), for the projected completion of ground-water corrective actions, be extended. The enclosed Technical Evaluation Report (TER) contains NRC's assessment of the licensing action and the

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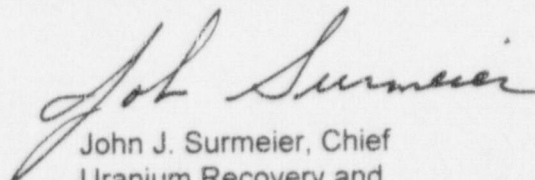
recommended license change. Based on this assessment, the projected date for completion of ground-water corrective actions in LC 55B.(2) is being changed from December 31, 1998, to July 31, 2006.

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

Requests for hearing have been filed on Atlas' requested amendments to LCs 41 and 55B.(2) and, as a result, Presiding Officers have been appointed to consider these requests and conduct any hearings that may be held on these amendments. On May 14, 1999, the Presiding Officer granted the request for hearing on the amendment to LC 55B.(2). In accordance with 10 CFR 2.1205(m), the staff hereby issues the requested amendments, notwithstanding the pendency of the requests for hearing, based upon the evaluations contained in the documents identified above.

The license is being reissued to incorporate the changes identified above and is enclosed. If you have any questions, please contact me or Myron Fliegel, the NRC project manager for Atlas. I can be reached at (310) 415-7238 and Dr. Fliegel at (301) 415-6629.

Sincerely,



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

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[Original Signed by]

John J. Surmeier, Chief
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Docket No. 40-3453
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OFC	URLL <i>JS</i>	OGC		URLL <i>JS</i>		URLL <i>JS</i>	
NAME	MPfliegel:bg	e-mail		NKStablein		JSurmeier	
DATE	5/27/99	5/28/99		5/28/99		5/28/99	

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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: Myron Fliegel

SUMMARY AND CONCLUSIONS:

By letter dated December 22, 1998, Atlas Corporation (Atlas) submitted a request to amend License Condition 55 (LC 55) of Source Material License No. SUA-917. LC 55 lists the completion dates for reclamation milestones established as targets in the Memorandum of Understanding (MOU) with the U.S. Environmental Protection Agency (EPA) (56 FR 55432, October 25, 1991). Atlas requested that the license date for projected completion of ground-water corrective actions in LC 55B.(2) be changed from December 31, 1998, to a date pursuant to the reasonable and prudent alternative and mitigative measures stipulated by the U.S. Fish and Wildlife Service (FWS) in the Biological Opinion issued to NRC on July 31, 1998. The staff recommends that the license be amended to identify the projected completion of ground-water corrective actions by July 31, 2006.

DESCRIPTION OF LICENSEE'S AMENDMENT REQUEST:

The licensee requested that the date in LC 55B.(2) for the projected completion of ground-water corrective actions to meet performance objectives specified in the ground-water corrective action plan (CAP) be revised pursuant to the reasonable and prudent alternative and mitigative measures stipulated in the Biological Opinion issued to the NRC by the FWS on July 31, 1998. Reclamation milestones in the MOU with EPA are in License Condition 55.

TECHNICAL EVALUATION:

Atlas stated that necessary revisions to the ground-water CAP have been delayed for reasons beyond its control. Atlas further stated that it cannot complete the ground-water corrective action until after the CAP is revised.

NRC has considered the revision to the ground-water CAP to be a separate action from the revision to the surface reclamation plan for the tailings. Further, because significant aspects of the ground-water CAP depend on the manner in which the tailings are permanently stabilized (and especially whether the tailings would be stabilized onsite or moved to another location) and that had not been decided, revision to the ground-water CAP was delayed for reasons beyond Atlas' control. As part of its review of Atlas' proposed tailings stabilization plan, NRC consulted with FWS in conformance with the Endangered Species Act. In its July 1998 Biological Opinion, FWS identified reasonable and prudent alternatives that are needed to protect endangered fish

Enclosure

in the Colorado River. Among them is the requirement that Atlas clean up contaminated ground water to relevant standards within 7 years from Atlas' receipt of NRC approval of the revised ground-water CAP. The revised date will meet the FWS requirement.

RECOMMENDED LICENSE CHANGE:

The staff recommends that a change to Source Material License SUA-917, LC55 B.(2) be made to reflect the revised date for the projected completion of ground-water corrective actions. The revised license condition will read as follows:

55. B. (2) Projected completion of ground-water corrective actions to meet performance objectives specified in the ground-water corrective action plan - July 31, 2006.

ENVIRONMENTAL IMPACT EVALUATION:

The staff has determined, under exclusions contained in 10 CFR 51.22 (c) (11), that further environmental documentation is not required for this amendment. The amendment is administrative, revising a date for completion of an activity. Therefore, an environmental assessment by this office for the proposed action is categorically excluded under 10 CFR 51.22 (c) (11), and is not required by 10 CFR 51.60 (b) (2).

REFERENCES:

Letter from Richard E. Blubaugh to King Stablein, December 22, 1988.

Addressees for Letter Dated: 05/28/99

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 VIII
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