



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
URANIUM RECOVERY FIELD OFFICE
BOX 25325
DENVER, COLORADO 80225

SEP 7 1988

URFO:DLJ
Docket No. 40-4492
04004492540E

American Nuclear Corporation
Gas Hills Project
314 W. Midwest Avenue
Casper, Wyoming 82602

Gentlemen:

As requested in your letter dated June 15, 1988, NRC has reviewed the Pond No. 2 settlement monitoring data. Although we are in general agreement with the conclusions reached by your consultant, the limited data provided and the inconsistency of that data does not provide an adequate basis to determine that 90 percent of the expected settlement has occurred. Several of the monitoring stations do appear to have reached a plateau which would indicate sufficient settlement. However, due to your change in surveyors which generally resulted in obvious inconsistencies in the data, we are recommending that a larger data base be generated by the new surveyor prior to determining that 90 percent of the expected settlement has occurred. As your June 15, 1988 letter stated that you intended to continue surveying the Pond No. 2 monuments bimonthly, we recommend that the data be re-evaluated in early 1989.

Please be advised that only the placement of the radon barrier cover is contingent upon 90 percent of the expected settlement having occurred. Recontouring of the dam and tailings sands to pre-cover elevations is not precluded by the 90 percent settlement criteria and is in fact encouraged to accelerate the reclamation process. The monitoring stations should be maintained.

If you have any questions, please contact Mr. Ralph Heyer of my staff on (303) 236-2805.

Sincerely,

A handwritten signature in cursive script, reading "Harry J. Pettengill".

Harry J. Pettengill, Chief
Licensing Branch 2
Uranium Recovery Field Office
Region IV

40-4492/540E/DLJ/88/09/02/L
Case Closed: 04004492540E

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EHawkins/URFO

HPettengill/URFO

DJacoby/URFO

DATE:

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