

Malapai Resources Company

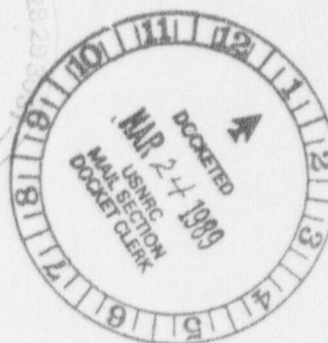
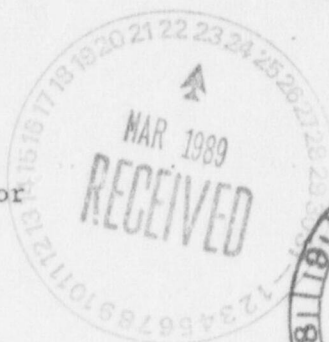
Wyoming Regional Office, 913 Foster Road, Casper, Wyoming 82604
Phone: (307) 235-1221

TELECOPY (307) 234-3315

RETURN ORIGINAL TO PDR, HQ.

March 15, 1989

Mr. Bob Giurgevich, District III Supervisor
Land Quality Division
Department of Environmental Quality
2161 Coffeen Avenue, Suite 401
Sheridan, Wyoming 82801



RE: RESEARCH AND DEVELOPMENT LICENSE RD14 RENEWAL REPORT

Dear Mr. Giurgevich:

Please find attached to this letter the annual renewal report for Malapai Resources Company's Willow Creek R & D site, License No. RD14. With this letter, we hereby request that RD14 be extended for another year.

Although we are requesting license renewal for the short term, we would like for the Land Quality Division to consider the incorporation of the remaining R & D requirements into our commercial permit, No. 478, and the termination of License RD14. Malapai will soon be requesting termination of our USNRC License SUA-1337; USNRC has stated that all remaining requirements for decommissioning will then be added to our commercial license, SUA-1341.

Please contact me if you should have any questions on the attached report. I will look forward to hearing from you concerning the incorporation of the R & D license into the commercial permit.

Sincerely,

Donna L. Wickers

Manager - Licensing, Safety and Environmental Services

/dw

cc: R. Shaffer - LQD/Cheyenne
W. Garland - WQD/Cheyenne
USNRC - Denver - Docket No. 40-8684

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PDR ADOCK 04008684
C PNU

DESIGNATED ORIGINAL

Certified By Mary C. Wood

89-0510

Annual Report and Renewal Request Information
for Research and Development License
(W.S. 35-11-430, W.S. 35-11-431, W.S. 35-11-411,
LQD Rules and Regulation, Chapter XXI)

1. Name, Address and Phone Number of Licensee Malapai Resources Company
P.O. Box 9950 Casper, WY 82609
2. License Number 14 RD
3. Reporting date: from February 28, 1988 to February 28, 1989
4. Location of the Operation (Section, Township, Range and County) Sections
17 and 20, T44N, R76W, Campbell County
5. On a separate sheet, please attach a brief description of your operations during the past reporting period including:
 - . all activities conducted, including the number of wells installed, quantity of recovery fluid injected, total quantity of recovery fluid recovered (per each well field);
 - . all restoration and reclamation work accomplished;
 - . the extent to which predictions made in the original license or any previous reports have been fulfilled and any deviation therefrom;
 - . a revised schedule of operations and reclamation, an estimate of the number of acres to be affected and the volume of groundwater to be affected during the next (one year) report period;
 - . if appropriate and illustrative, a map which identifies the major features of the existing field operation (eg. buildings, well sites, disturbed lands, topsoil stockpiles, access roads, evaporation ponds, etc. A quality, hand-drawn map is acceptable;
 - . updated potentiometric surface map(s) for all aquifers that are affected or may be affected by the mining operation.
6. On a separate sheet, please describe all monitoring activities required by the existing license, including:
 - . a map and description (location, parameter(s), extent) of all excursions which occurred during the report period;
 - . completion details for all monitor wells installed or repaired during the report period;
 - . the date, place, time and method of sampling;
 - . the personnel responsible for the sampling;
 - . the date(s) on which the analysis was performed and the personnel (firm) who performed the analysis;
 - . the analytical techniques utilized;
 - . analytical results in an organized format.

If a groundwater restoration program is underway, the Annual Report should contain supporting data sufficient to demonstrate restoration in accordance with the standards of the approved license.
7. On a separate sheet, furnish a current Reclamation Performance Bond estimate which itemizes the cost of complete reclamation including removal of all facilities, proper plugging and reclamation of all wells, backfilling, grading, retopsoiling and seeding all disturbed lands, including all access roads.
8. Reclamation Performance Bond: Please describe the type and face value of the current bond, eg. where applicable, the surety company, bond number and face value OR Certificate of Deposit number, face value and financial institution OR company and face value for a letter of credit, etc.

-- see attachment --

9. Unless specifically stated, this License will be terminated on the anniversary date. If you choose to terminate the License, you must initiate complete reclamation at the earliest possible date. Your reclamation responsibility is not complete and your bond will not be released until the DEQ/LQD determines that the surface disturbance has been satisfactorily reclaimed and the DEQ/LQD and DEQ/WQD determine that the groundwater has been restored.

10. I, Donna L. Wichers, the Licensee or authorized representative, request license renewal. Yes xxx No

MANAGER - LICENSING, SAFETY AND ENVIRONMENTAL SERVICES

Send completed report to: Land Quality Division - District III

2161 Coffeen Ave., Suite 401

Sheridan, WY 82801

Telephone (307) 672-6488

Report Prepared by

Donna L. Wichers
Signature

March 15, 1989
Date

RESPONSES TO NOS. 5 - 8, ANNUAL REPORT FORM
LICENSE 14RD, 1988 ANNUAL REPORT

MALAPAI RESOURCES COMPANY

MARCH 10, 1989

MALAPAI RESOURCES COMPANY
LICENSE 14RD ANNUAL REPORT
RESPONSES TO NOS. 5 - 8, ANNUAL REPORT FORM
MARCH 10, 1989

5. On a separate sheet, please attach a brief description of your operations during the past reporting period:
- o The only activities which transpired at Malapai Resources Company's Willow Creek R & D test site during 1988 were associated with obtaining groundwater samples for the one-year post-restoration stabilization monitoring program. Restoration of the wellfield aquifer was completed in July, 1987. Monthly post-restoration stability samples were taken thereafter through December, 1987. Malapai began bi-monthly (every two months) sampling in February, 1988. The final post-restoration stabilization monitoring samples were obtained on August 16, 1989.
- Results of the aquifer restoration program and stabilization monitoring were submitted to the WDEQ and USNRC by report entitled "Malapai Resources Company, Final Report, Aquifer Restoration Efforts and Results; Willow Creek R & D, Christensen Ranch, Wyoming", dated October 28, 1988. With submittal of the report, Malapai requested that WDEQ/USNRC approve and accept the aquifer restoration as final.
- To date, no reply has been received from the WDEQ regarding acceptance of the restoration results. USNRC accepted the restoration by letter and attached Amendment No. 12 to License SUA-1341 dated December 8, 1988.
- o Facilities which remain at the R & D site are one trailer (office trailer), two lined evaporation ponds, the R & D wellfields, topsoil and subsoil stockpiles and various small equipment, all within a fenced area (see attached Figure 1).
 - o An updated potentiometric surface map for the ore zone is attached as Figure 2.
 - o A schedule for surface reclamation is not finalized at this time. The schedule is dependent upon any requirements of WDEQ as a result of their decision on the R & D aquifer restoration. Malapai will wish to maintain some of the R & D structures for future commercial development in Phase I of the Christensen Ranch project, such as the road, some of the wellfield wells and potentially the evaporation ponds.
6. On a separate sheet, please describe all monitoring activities required by the existing License:

- o All monitoring activities were associated with the wellfield stability monitoring phase. Sampling was performed by Malapai employees; samples were submitted to Energy Laboratories and Core Laboratories (both located in Casper, Wyoming) for analysis. Samples were split on-site with USNRC personnel on August 16, 1989; these were the last post-restoration stabilization samples taken. Analyses were conducted for the WDEQ Guideline 8 list of chemical parameters. Approved EPA methods were used for the analyses. A summary of the sampling results are contained in the following report, submitted to WDEQ by letter dated October 31, 1988: "Malapai Resources Company, Final Report, Aquifer Restoration Efforts and Results; Willow Creek R & D, Christensen Ranch, Wyoming."

Monitor wells were sampled at the R & D site through the end of the wellfield stability monitoring period. Data from these wells may be found in the report submitted to WDEQ by letter dated February 28, 1989 entitled "Semi-Annual Activity and Monitoring Report, July 1, 1988 - December 31, 1988; Willow Creek R & D, Malapai Resources Company."

- 7. Financial Surety: On February 24, 1989, a discussion between Mr. Glenn Mooney, LQD District III, and Ms. Donna Wichers, Malapai, determined that the new reclamation estimate for the R & D site should be \$75,000.00, based upon LQD's pending approval of the aquifer restoration. At that time, a request was made to the First Interstate Bank of Arizona to decrease the amount of Letter of Credit (LOC) No. SB-8770 from \$370,710.00 to \$75,000.00. By letter dated March 3, 1989 Mr. Roger Shaffer, LQD Cheyenne, approved Amendment No. 7 to LOC No. SB-8770, thereby decreasing the approved total to \$75,000.00. Mr. Glenn Mooney's February 21, 1989 memo to file outlines the specific reclamation activities and associated costs which make up the \$75,000.00 reclamation estimate.
- 8. As previously stated, Malapai Resources Company maintains the following financial surety for reclamation of the Willow Creek R & D site:

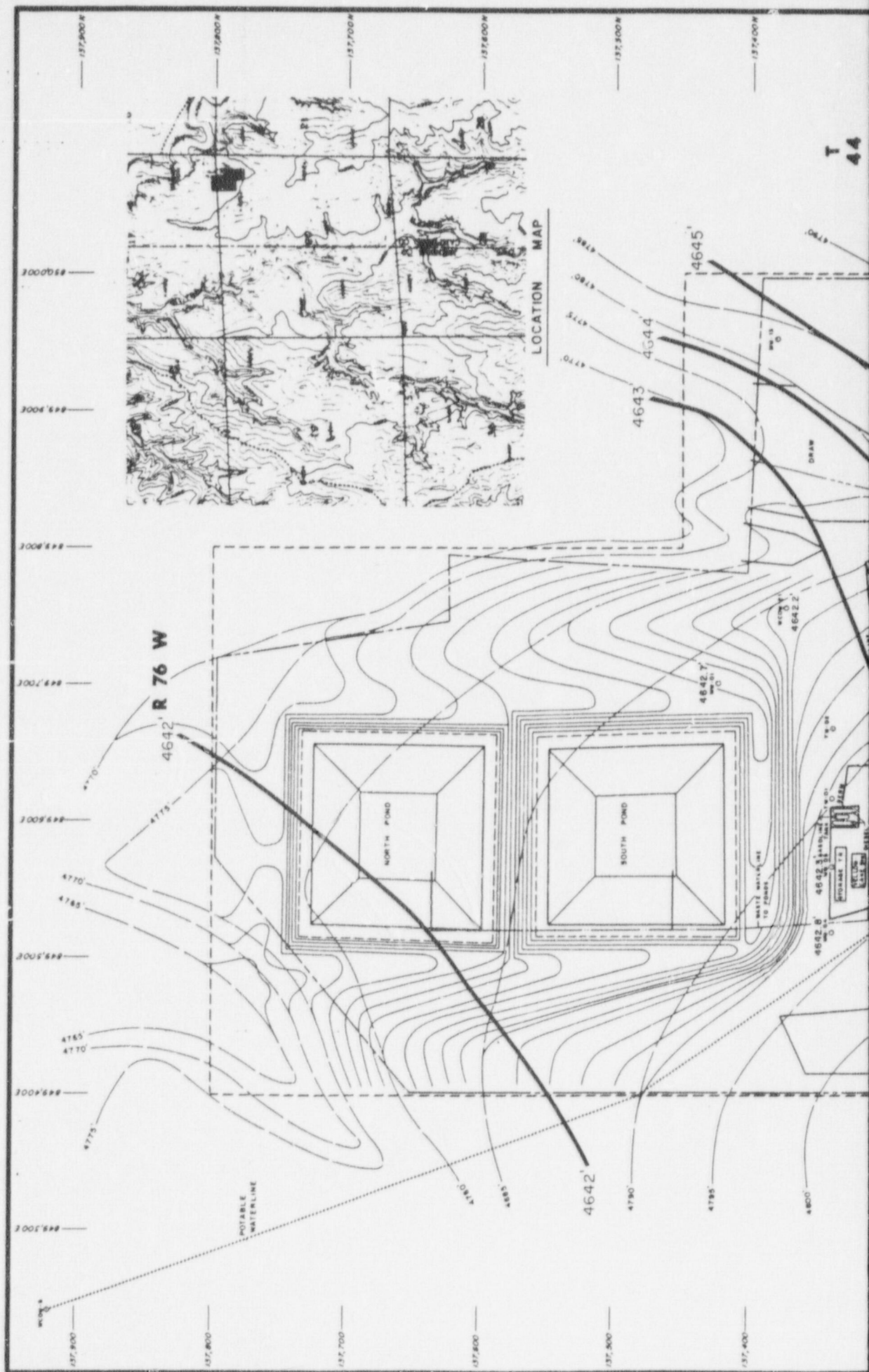
Letter of Credit No. SB-8770

Amount: \$75,000.00 (Approved by Amendment No. 7 on March 3, 1989)

Issued by: First Interstate Bank of Arizona, N.A.

Expiration Date: May 26, 1990

Beneficiary: State of Wyoming, Department of Environmental Quality,
Land Quality Division



T 44 N

LOCATION MAP



R 76 W

3000'600 W
3000'700 W
3000'800 W
3000'900 W
3000'000 W

137,900
137,800
137,700
137,600
137,500
137,400
137,300

