

Umetco Minerals Corporation

40-8681



WHITE MESA MILL • P.O. BOX 669 • BLANDING, UTAH 84511
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RETURN ORIGINAL TO PDR, HQ.

March 9, 1989

Mr. R. Dale Smith, Director
U. S. Nuclear Regulatory Commission
Region IV
Uranium Field Recovery Office
Box 25325
Denver, CO 80225

Re: Umetco Minerals Corporation
SUA-1358: Docket No. 40-8681
White Mesa Mill, Utah
License Condition 50

Dear Mr. Smith:

Attached are the annual financial surety estimates for the reclamation of the Velvet Mine IX column and associated facilities.

If I can answer any questions that you may have, please feel free to contact me.

Sincerely yours,

John S Hamrick

John S. Hamrick
Site Environmental Coordinator

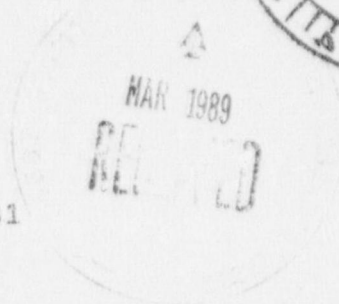
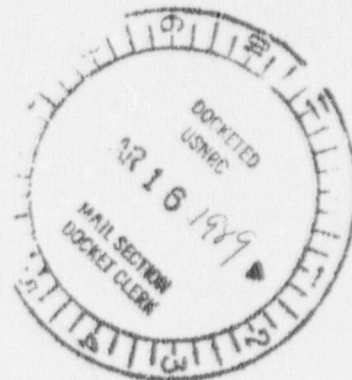
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Certified By Mary C. Hood

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Velvet Mine Reclamation and Decommissioning

The Ion exchange (IX) column and related facilities are located in San Juan County, Utah Range 25 East, Township 31 South, Sections 4 (mine portal) and 3 (IX column and facilities). See Figure 1 for a plan view of the facilities area. Mine water is pumped to the facility area where coagulant is added. The water flows into Pond 1 where suspended solids can settle. The water is pumped from Pond 1 to the IX resin column and from there to a mix tank where barium chloride is added to remove radium-226. The water flows to Pond 2 where precipitated radium settles. Water from Pond 2 then overflows into the nearby wash, a local drainage area of South Three Step Hill.

The reclamation of the facilities includes decontamination of the IX column and building and removal of contaminated material to a disposal facility. The site would then be released for use by the general public.

The reclamation sequence would involve radiological surveys to determine any contamination present. Contaminated process equipment would be removed and transferred to a licensed facility for use or disposal, as appropriate. Contaminated soil and pond materials would be excavated and shipped to the proper facility for disposal. It will be assumed that, in this case, that facility will be the White Mesa Mill located in Blanding, Utah, 65 miles by road from the Velvet Mine and facilities.

The radiological surveys and sampling will take two people three days, with 15 chemical assays for radium-226 and thorium-230. Dismantling equipment will take two people five days. Excavation of the ponds to a depth of 1.5 feet will generate a maximum of 828 yards³, 394 yds³ from Pond 1 and 434 from Pond 2 (Pond 1 area is 7,100 ft² and Pond 2 area is 7,800 ft²). Three 35 yd³ trucks will transport the material in three days.

Table 1 summarizes the unit and total costs expected for complete reclamation. Note that because economies of scale are not available due to the size of this project, unit costs are high.

Table 1

	Quantity	Cost per	Cost
1. Labor			
1.1. Mechanical	80 hours	25 ⁰⁰	\$2,000
1.2. Technical	48 hours	35 ⁰⁰	1,680
1.3. Equipment			
Operators	98 hours	20 ⁰⁰	1,960
1.4. Analysis	15 samples	37 ⁰⁰	550
2. Material			
2.1. Tools	1 lot		500
2.2. Loader	30 hours	45 ⁰⁰	1,350
2.3. Dump Truck	90 hours	45 ⁰⁰	4,050
2.4. Dozer	8 hours	45 ⁰⁰	360
	Total		\$12,450