

# UNC MINING AND MILLING

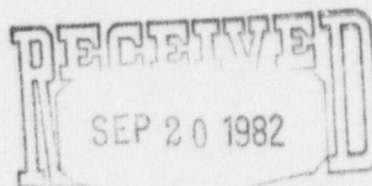
Division of United Nuclear Corporation  
A **UNC RESOURCES** Company

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September 9, 1982

Mr. Russell Rhodes  
State of New Mexico  
Environmental Improvement Division  
P.O. Box 968  
Santa Fe, New Mexico 87504-0968



RADIATION PROTECTION BUREAU

SEP 13 1982  
EID Dir's Office

Dear Mr. Rhodes,

Your letter of August 27, 1982 withdrawing permission for UNC to continue to discharge without an approved discharge plan, has been received. The termination "applies to the discharge of all new tailings from any future mill operation". It excludes "discharge associated with efforts to prevent further movement of ground water contamination off property and to reclaim the aquifer".

The basis for NMEID action is presumed to be dictated by requirements of the May 26, 1981 letter which would withdraw permission to discharge without an approved plan if:

1. "At any time it appears that UNC is not making progress satisfactory to EID in addressing questions raised".
2. "UNC will not be able to control seepage on the property".

In continuing efforts to arrive at a mutual understanding of the stratigraphic and ground water conditions at the site and resolve other outstanding issues, staff members of NMEID and UNC (and consultants) have participated in frequent technical meetings and frequent correspondence through the mail. As an example, the NMEID letter of September 3, 1982 identifies issues satisfactorily resolved. It identifies other issues and it extends an invitation to UNC to discuss for the first time, where "contamination exists in the aquifers", as viewed by NMEID. I am impressed with the good progress made in identifying complex problems and resolving serious differences basic to full site understanding. No where has UNC felt or been advised that NMEID was not satisfied with the progress being made. In addition UNC has never contended that it will not be able to control seepage on the property. As a matter of fact, operation of the 400 Series Wells demonstrated to both UNC and NMEID that a barrier to seepage mig-

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ration could be established. UNC believes that it has successfully pursued the requirements of the May 26, 1981 NMEID letter. Consequently the action taken by NMEID in the August 27, 1982 letter is without good cause.

Concerning other reasons cited by NMEID for withdrawing permission to discharge, where has UNC "failed to demonstrate that contamination will be contained on its property"? Data developed by UNC supports a contrary conclusion. We also believe the NMEID does not disagree with our findings.

Where has "UNC failed to adequately define the extent of contamination"\_\_\_\_\_? The purpose for drilling the 500 Series Wells was to locate areas of tailings relating ground water contamination. This project was encouraged and supported by the NMEID. Three areas of known contamination were located and reported to the NMEID. The purpose of the 600 Series Wells is to ultimately intercept seepage and return it to its source. This project is also encouraged and supported by the NMEID. Definition of the areas of contamination are reasonably identified and a well placement and pumping system are currently being engineered by UNC's consultant Billings and Associates.

UNC has been assured by NMEID that time frames for completion of tasks would not be imposed if adequate progress was being made. We have been repeatedly assured that adequate progress is being made. This same assurance was expressed by NMEID members to UNC's legal council in a recent meeting.

Both UNC and NMEID recognize the serious nature of the project and that it warranted good understanding and agreement as the project progressed. Numerous and frequent meetings have been conducted. Where there is an agreement we have sought to make it a matter of record. Where there is a disagreement we are seeking a mutually satisfactory resolution. This process has fostered the early identification of concerns and problems that will eliminate future dissatisfaction with the project. This procedural understanding is and has been effective. We disagree that UNC has failed to make adequate progress toward "proposing specific measures"\_\_\_\_\_. It must be recognized that the NMEID has played a significant part in developing specific measures for the ultimate solution to the ground water problem. (Refer NMEID letter 9-3-82)

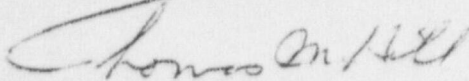
UNC has made significant and costly modifications to its tailings discharge and to site neutralization requirements. As a result of UNC's action, the NMEID has approved and licensed use of the entire tailings site. UNC therefore expects to fully utilize the capacity of the site. This does not imply that the site has the

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capacity to accomodate all tailings to be delivered from the Church Rock ore reserves. However, it does recognize that the NMEID has approved full use of the site and has restored utilization of its impoundment capacity.

UNC does not agree with the determinations and conclusions made in the letter of August 27, 1982. Because of the good progress being made on the UNC site we are surprised that the Director has serious concerns for the UNC project. We are equally surprised that UNC was not afforded the opportunity of a hearing to outline UNC progress, and to respond to the Directors concerns. UNC therefore requests the Director to reconsider his actions and restore permission for UNC to discharge without an approved discharge plan.

Very truly yours,



Thomas M. Hill  
Manager of Environmental Affairs

TMH/bg

cc: T.F. Bailey  
Stan Crout