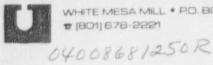
Umetco Minerals Corporation

40-8681



WHITE MESA MILL . RD. BOX 669 . BLANDING, UTAH 84511 1 (801) 678-2221

RETURN ORIGINAL IN FUR, HQ.

August 10, 1989

Mr. Ramon E. Hall, Director U. S. Nuclear Regulatory Commission Region IV Uranium Field Recovery Office Box 25325 Denver, CO 80225

Umetco Minerals Corporation Re: SUA-1358: Docket No. 40-8681 White Mesa Mill, Utah License Condition 26

Dear Mr. Hall:

Attached is a letter that should have been included in the letter dated Jun 26, 1989 concerning the annual technical review of the tailings management system at the White Mesa Mill. Please include a copy of the attached letter in that report.

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

Sincerely yours,

John Stamier

John S. Hamrick Site Environmental Coordinator

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June 14, 1989

Mr. J. S. Hamrick Site Environmental Coordinator Umetco Minerals Corporation P.O. Box 669 Blanding, Utah 84511

Re: Annual Review of White Mesa Tailings Management System Umetco Minerals

Dear Mr. Hamrick:

The writer made a formal inspection of the Umetco tailings management system in Blanding, Utah on November 30, 1988. Also previous inspections were made of the facility on different occasions in 1988 to develop reclamation designs for the facility and develop a design for the proposed Cell 4.

The purpose of the November inspection was to review the tailings management plan and practices and formally evaluate the conditions of the tailings containment structures. Subsequent to this inspection, three additional inspections have been made by the writer in conjunction with the design and construction of the new tailings cell.

The writer apologizes for the lateness of written report. However, as verbally conveyed to you on the different site visits, the tailings management system is satisfactory and the tailings dikes are in excellent condition.

The following summarizes the inspection procedures followed and the conclusions made by the writer.

A. Investigative Methods

The following documents were reviewed and evaluated prior to performing the inspection:

- (1) "Site Selection and Design Study, Tailings Retention and Mill Facilities" by Dames & Moore, May 15, 1978.
- (2) "Environmental Report, White Mesa Uranium Project, San Juan County, Utah" by Dames & Moore, May 15, 1978.

- (3) "Engineer's Report, Tailings Management System, White Mesa Uranium Project, Blanding, Utah", by D'Appolonia Consulting Engineers, June, 1978.
- "Engineer's Report, Second Phase Design -Cell 3 Tailings Management System, White Mesa Uranium Project, Blanding, Utah", by D'Appolonia Consulting Engineers, February, 1982.
- "Construction Report, Second Phase, Tailings Management System, White Mesa Uranium Project" by Energy Fuels Nuclear, Inc., March, 1983.

On November 30, 1988, the writer met with Messrs. John Hamrick and Donald Sparling and discussed the tailings disposal practice followed at the mill. At this time, the daily, weekly, and quarterly inspection reports made by mill personnel during the year were reviewed. Following the meeting, the writer inspected the tailings disposal cells. In performing the inspection, guidelines presented in the Bureau of Reclamation manual "Safety Evaluation of Existing Dams" were utilized. The following are items that were observed during the inspection:

I. Dike Crests

- A. Signs of Settlements
- B. Misalignments
- C. Cracking
- D. Signs of Animal Intrusion

II. Upstream Slope

- A. Significant Erosion of Soils Over Liner
- B. Longitudinal Cracks
- C. Transverse Cracks
- D. Signs of Depressions or Bulges
- E. Signs of Settlements
- F. Signs of Animal Intrusion

III. Downstream Slope

- A. Significant Erosion
- B. Longitudinal Cracks
- C. Transverse Cracks
- D. Signs of Depressions or Bulges
- E. Signs of Settlements
- F. Signs of Seepage on Slope and Toe
- G. Signs of Animal Intrusion

Subsequent to the inspection, movement surveys made on cell dikes by Mr. Richard L. Johnston, Registered Land Surveyor, were reviewed and evaluated by the writer.

Conclusions Β.

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Based on evaluations of geotechnical design parameters, design drawings, construction reports, and the on-site inspection, it is the opinion of the writer that the tailings containment facility is structurally stable and is performing as designed.

Daily inspections should be continued by plant personnel. Any signs of severe erosion, seepage or instability should be reported to the writer.

After reviewing this letter if you have any question, please do not hesitate to contact me.

C.O. Sealy, P.E.

cos/lt