



UNC MINING AND MILLING

Division of United Nuclear Corporation
A UNC RESOURCES Company

P.O. Box 8480
Santa Fe, New Mexico 87504-8480 Telephone 505/988-9208

May 31, 1984

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GROUND WATER/HAZARDOUS WASTE
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Mr. Samuel L. Nott, Chief
Superfund Branch
ENVIRONMENTAL PROTECTION AGENCY
InterFirst Two, 1201 Elm Street
Dallas, Texas 75270

Dear Mr. Nott:

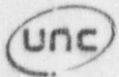
Regarding your letter of May 7, 1984, we remain very concerned over the posture which EPA has taken regarding this matter, particularly in light of the fact that UNC has stated on more than one occasion that we share the same interest over environmental concerns at the site and have endeavored to develop programs to address the situation. I think it necessary to briefly recap a historical chronology of events in order that you may fully appreciate our views.

In February 1982, UNC and EPA held meetings to discuss the possibility of entering into an agreement whereby UNC would conduct certain work as requested by the New Mexico Environmental Improvement Division consistent with our regulatory obligations to New Mexico. UNC was amenable to such an arrangement with EPA in order to resolve the CERCLA issues. We continue to be today. We were surprised and concerned with the content of EPA's proposed consent agreement which was produced in the ensuing months because it contained proposals which, in our view, went well beyond New Mexico regulatory mandate.

You are, of course, aware that negotiation of a consent agreement from that time forward became more difficult; yet, we continued to communicate with EPA into early 1983 in an attempt to resolve the issue. Unfortunately, communications eventually broke down, in part, we believe, because of the internal problems EPA was having in the time immediately preceding the resignation of the Administrator.

Much to our surprise on August 12, 1983, UNC received a letter from Mr. William Hathaway informing us of EPA's decision to commence its own RI/FS. The letter made certain representations that UNC had been uncooperative in providing information requested when, in fact, UNC's position regarding the particulars of the proposed agreement were well known to EPA; and we had repeatedly made all of our information available. This past December, EPA visited my office at our invitation at which time I provided access to all data we had generated to date. Despite repeated indications by EPA at various times previous to this meeting, including the August 12 letter

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in which it was stated that UNC had not provided certain information, EPA concluded that it already had the information it reviewed. The NPL was finalized in September, 1983. UNC has petitioned the courts to review its inclusion on the List. The matter is currently pending.

In your letter of May 7, you depict our concern as being the possible impact of EPA's work plan on the installation and pumping of wells we have projected for several of the same areas in which EPA is to install wells. Certainly, that is one aspect of our concern; and we cannot agree that your testing will not adversely affect our programs. However, our concern goes much deeper than the particulars of implementation of your work plan. It is our position that the work contemplated in the RI/FS plan interferes with our work per se. It is inconceivable to us that EPA would be so dogmatic in its refusal to allow UNC to conduct the programs which we propose without such interference.

Regarding your concerns as to contamination of the Gallup Aquifer, we wish to point out that, while you surely have a right to be concerned over contamination of the public environment, there is no evidence that the Gallup formation is contaminated in areas where the public has unrestricted access. Your concern over seepage into the Gallup formation is laudable but, nonetheless, an inappropriate application of your authority under CERCLA.

We reiterate, as we have on every occasion of our communication, that UNC has conducted, is currently conducting and will commence other programs in the near future to address the concerns of both NMEID and EPA. We are deeply disturbed that you find it necessary to continue your RI/FS activities. We do not wish to be belligerent nor combative; yet, we must assert our rights. We would like nothing more than to be cooperative but view it necessary to reach an amicable understanding prior to giving any additional permission affecting your activities on-site. It is, therefore, necessary to withhold the permission you request until we can resolve the entire issue, most particularly with regard to permission to dispose of pump discharge waters your programs may produce into Borrow Pit #2.

It is our view that because we have so much more knowledge and experience of site conditions than EPA or its consultants, we are much better able to conduct the studies necessary to address your concerns. It is inconceivable that EPA's consultant can be expected to become as knowledgeable of the site in any reasonable time frame as UNC and its consultant are presently. We have spent millions of dollars over the last seven years in developing our knowledge. We currently have more information available than EPA's consultant could hope to generate during his proposed study period. We have intimate knowledge of site-specific conditions which would take EPA's consultant an inordinate amount of time to develop; and, most importantly, we are presently continuing our studies to develop the programs necessary to address the seepage issues at Churchrock. We view EPA's RI/FS efforts as completely redundant of past, present and future UNC efforts.

As we have indicated in recent communications, UNC is prepared to execute a consent agreement which meets both our needs. The following is a

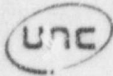
list of the technical tasks which UNC is prepared to conduct upon execution of an agreement. I have followed closely the same format which EPA provided on Pages 3 through 12 of its November, 1982 draft consent order in expectation that it will facilitate ease of negotiation.

1. Construct a structural contour map of the base of the alluvium, based on data from all wells installed to date.
2. Construct water level elevation contour maps for the alluvium and Zones 1 and 3 of the Upper Gallup sandstone. Each map will show the horizontal extent of saturation in each unit. Each map will also indicate areas where no data have been collected. The Zone 3 map will include a shaded area or other suitable differentiation of the portion of the site where the Torrivio is saturated. Because not all wells are measured at the same time, it is not possible to construct a water table map based on a specific date. Therefore, UNC will construct water table maps for several discrete time periods and use time-plots of individual wells to examine changes in water level over time.
3. Construct maps showing the average thickness of the water-bearing strata in the alluvium, Zone 3 and Zone 1 of the Upper Gallup sandstone.
4. Construct maps showing the areal extent of confined versus unconfined portions of Zones 1 and 3 of the Upper Gallup sandstone wherever these zones are saturated in the area of the site. Separate maps will be provided for each zone. Cross-sections will be provided for each area of concern at the site (i.e., NE of NE corner of site and east of Borrow Pit area). Both subsurface geologic and water level information will be shown. The information submittal and maps will identify the confining layer in all areas of confinement of groundwater in these zones.
5. Construct water quality contour maps for each constituent analyzed in each aquifer to include the alluvium and Zones 1 and 3 of the Upper Gallup sandstone. Each map will show by cross-hatch or other suitable differentiation, areas where there is no data available for the constituent being considered.
6. Develop a plan of action for design, installation and operation of a system to control the migration of contamination in the groundwater, if present, beyond Section 36 onto the Navajo Indian Reservation. The plan will provide details of the approach to be taken to keep any seepage on company property, identify the extent of seepage and ensure that it does not migrate off-property.

The plans for all proposed control systems shall include, as a minimum:

- a. the number of extraction wells and their proposed locations, depths, etc.;
 - b. results of any step tests conducted;
 - c. well construction details, including but not limited to, casing size and material, gravel pack details, screen settings, and screen type and slot design;
 - d. an estimate of individual well and total system yields and the basis for the estimates;
 - e. rationale for location and number of wells to be utilized in system.
7. Conduct a study for the purpose of providing a realistic approximation of background water quality at the site prior to commencement of operations.
 8. Conduct a study to evaluate the methodologies available for treatment and/or disposal of liquors produced from the seepage collection system(s); design, construct and operate the preferred system.
 9. Conduct a study to determine the presence, extent and source(s) of contamination along Pipeline Arroyo to the west and southwest of the tailings facility; design, install and operate the system(s) necessary to control the migration of contamination identified to ensure containment on-property. Details of any such system(s) will be provided as in Item 6, above.
 10. Conduct a study to determine the presence and extent of contamination to the east of the site onto Section 1; design, install and operate the system(s) necessary to control the migration of contamination identified to ensure containment on-property. Details of any such system(s) will be provided as in Item 6, above.

UNC will seek access to all Indian properties required, including providing a letter of solicitation to the Navajo Tribal Council and its associated departments and the Bureau of Indian Affairs (BIA) requesting access to their property for the purpose of monitoring groundwater and defining and controlling contamination on their lands resulting from operations at the UNC site. Such letter of solicitation will include, inter alia, the following specific provisions:



- a. that UNC's interest in obtaining access is to monitor and protect water quality;
- b. that UNC offers to compensate for the right-of-way and/or any damage resulting from UNC's monitoring and remedial efforts;
- c. that access is requested pursuant to an UNC/EPA agreement specifying therein the following person in EPA who can be contacted directly for further information:

Mr. Samuel Nott, Chief
Superfund Branch
U.S. EPA, Region 6
1201 Elm Street
Dallas, Texas 75270
(214) 767-9709

Following issuance of the letter of solicitation, UNC will use its best efforts in negotiations to obtain access to the Indian lands. UNC will apprise EPA on a regular basis of progress of such negotiations, providing documentation of meetings, phone calls, and letters exchanged in this effort. EPA may participate in the negotiations, should it be deemed helpful.

Obviously, the proposals offered above will require construction of specific legal qualifiers around the technical issues. Similarly, specific time schedules can be inserted where appropriate. Nonetheless, UNC believes that the substance of an agreement is contained herein.

As I indicate above, UNC is prepared to implement such a program upon agreement with EPA. In fact, some of the work is being conducted at present. All tailings liquors in Borrow Pit #2 and the north pond were neutralized as of June 1983. A clean-up program was initiated in the north-east corner of the facility in Section 36 similar to that proposed in Item 6, above. We anticipate its expansion in the near future. The system has been operating since November, 1983, pumping water from Zones 1 and 3. To date, we have pumped over 5 million gallons. All water produced is being collected and neutralized prior to being disposed of in Borrow Pit #2. This current treatment/disposal system is viewed as temporary until UNC receives the results of a study being conducted by Bechtel National, Inc. as to the various treatment and/or disposal alternatives available for permanent handling of contaminated waters. This study should be completed in October, at which time UNC plans to commence design and construction of a permanent facility.

Bechtel also is presently conducting a feasibility study which will evaluate the range of alternatives available to UNC for permanent and final resolution of the concerns at Churchrock. Bechtel will recommend an appropriate abatement plan for UNC's consideration.

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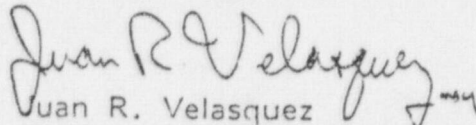
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In addition, UNC will initiate several programs in the very near future consistent with Items 7, 8, 9 and 10, above. A study to determine approximate background water quality will be performed beginning in mid-June. An alluvial study will be commenced by mid-summer to determine the extent and source of contamination to the southwest of the site along Pipeline Arroyo. While negotiations with the Navajo take place, UNC will be constructing a curtain of wells along its eastern boundary and begin pumping so as to collect any contamination that may be occurring in the direction of Section 1 and reverse the hydrologic gradient back towards the site.

As you can see, UNC has been diligently working towards resolution of the seepage problem. It is unfortunate that communication between EPA and UNC broke down in early 1983. I was unaware of the seriousness of the situation until mid-August as my time has been wholly consumed in initiating the above-mentioned programs since my arrival at UNC in February 1983.

The unfortunate history of prior negotiations notwithstanding, surely our activity in 1983 and 1984 demonstrates our sincere desire to address EPA's concerns. For this reason, I admonish you to reconsider our request to reopen negotiations. While we fully appreciate that EPA has conducted substantial activity since its August 12 decision regarding the RI/FS, we continue to believe that it is unnecessary for EPA to pursue its present course of action in light of UNC's activities. Once more, I request that a meeting be arranged in the very near future wherein we can discuss this matter in detail.

Sincerely yours,


Juan R. Velasquez
Manager, Environmental Affairs

JRV/cars

cc: Larry Wright
Stephen D. Phillips
Steven Asher