



August 30, 2005

U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, D.C. 20555

Re: Reply to a Notice of Violation; 040-02259/0005-001  
Docket No. 40-2259  
License No. SUA-672

Dear Sirs:

The following is submitted in response to the notice of violation dated August 9, 2005:

1) Reason for the violation.

A contractor was performing tailings reclamation work for Pathfinder Mines Corporation in 2004 involving the decommissioning of the No. 4 Evaporation Pond. In previous years all other tailings reclamation work (covering and erosion protection) had been completed. The closure of the evaporation pond involved the bulldozing of the surrounding dikes (which defined the footprint of the pond) toward the center of the pond. These dikes had been constructed from uncontaminated, virgin Cody shale extracted from a nearby borrow area. Since the dikes did not provide enough material to cover the pond, the dike material was augmented with virgin Cody shale hauled by scrapers from the same borrow area. Because the pond bottom consisted of saturated clay and residual sediments from tailings solution storage, it was mandatory that all heavy equipment stay on the bulldozed, uncontaminated fill material (Cody shale) above the contaminated pond bottom. Not doing so would have resulted in the equipment getting mired in the pond bottom muck. In order to avoid problems the bulldozer typically pushed in front of itself a lift of uncontaminated material that was 3-4 feet above the pond surface. Scraper-hauled shale was dropped back from the leading edge of the fill; the bulldozer would then push this material toward the fill edge. Using this approach, the heavy equipment avoided direct contact with the contaminated material.

It was concluded that since the heavy equipment had no contact with the contaminated material, there was no need to monitor that equipment when exiting the restricted area.

2) Corrective steps taken and the results achieved.

The scraper specifically noted in section 3.2 of the inspection report was still parked on the nearby Pathfinder mine property when the notice of violation was received. That machine as well all other contractor heavy equipment located on site (restricted area or adjacent mine) was surveyed for alpha and gamma contamination on August 23, 2005. None of the equipment exhibited any contamination above background levels. The contractor and Pathfinder personnel have been advised

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Reply to Notice of Violation; 040-02259/0005-001; August 30, 2005, page 2.

that all equipment utilized within the restricted area must be monitored prior to release for unrestricted use. As a result no equipment destined for unrestricted use is leaving the restricted area without monitoring.

3) Corrective steps that will be taken to avoid further violations.

The tailings/mill site reclamation at Lucky Mc is virtually complete. The remaining work involves some minor rip rap placement. No contact with tailings or contaminated material is anticipated in the future. Regardless, the limited amount of equipment utilized for the remaining tasks within the restricted area will be monitored prior to release for unrestricted use.

4) Date when full compliance will be achieved.

Full compliance was achieved on August 23, 2005.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Hardgrove". The signature is fluid and cursive, with the first name "Tom" and last name "Hardgrove" clearly distinguishable.

T. W. Hardgrove  
Manager, Reclamation Operations

cc: Regional Administrator, NRC Region IV  
D. L. Wichers, PMC