

April 22, 2014

Gary L. Smith, Ph. D., Section Manager
Uranium and Technical Assessments Section
Radioactive Materials Division
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

Dear Dr. Smith:

The U.S. Nuclear Regulatory Commission (NRC) staff have completed the review of your March 10, 2014, final Completion Review Report (CRR) (Agencywide Documents and Access Management System Accession number ML14070A273) regarding the proposed partial license termination of the South Texas Mining Venture, L. L. P. license (Texas Radioactive Material License No. R03626) resulting in the release of the Mount Lucas Project site, located near Dinero, Texas. In your letter, you requested NRC concurrence, under the provisions of 10 CFR 150.15a(a) and Section 274c of the Atomic Energy Act of 1954, as amended, that the Mount Lucas Project site meets the criteria for release to unrestricted use.

The CRR for the Mount Lucas Project site was reviewed in accordance with the process outlined in the Office of Federal and State Materials and Environmental Management Programs (FSME) Procedure SA-900, "Termination of Uranium Mill Licenses in Agreement States."

In accordance with 10 CFR 150.15a(a) and Section 274c of the Atomic Energy Act of 1954, as amended, and based on a review of : (1) the CRR submitted by the Texas Commission on Environmental Quality containing the State's conclusions that all applicable standards and requirements have been met; and (2) the results of the NRC reviews of the State's uranium recovery program conducted under the Integrated Materials Performance Evaluation Program, the NRC has determined that all applicable standards and requirements have been met prior to partial termination of an Agreement State license. The State of Texas may release the Mount Lucas Project site for unrestricted use and amend the South Texas Mining Venture, L. L. P. Texas Radioactive Material License No. R03626 to remove the Mount Lucas Project site.

G. Smith

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A copy of our evaluation report, entitled "NRC Review of the Partial License Termination Findings for the Mount Lucas Project site of the R03626 License Submitted by the Texas Commission on Environmental Quality" is enclosed.

If you have any questions or comments, please contact Duncan White at 301-415-2598 or duncan.white@nrc.gov.

Sincerely,

/RA JMMoses for LADudes/

Laura A. Dudes, Director
Division Materials Safety and State Agreements
Office of Federal and State Materials
and Environmental Management Programs

Enclosure:

NRC Review of the Partial License
Termination Findings for the Mount Lucas
Project site of the R03626 License
Submitted by the Texas Commission on
Environmental Quality

G. Smith

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Enclosure:
NRC Review of the Partial License
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Submitted by the Texas Commission on
Environmental Quality

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DATE	4/15/14	4/15/14	4/18/14	4/8/14	4/22/14

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**U.S. Nuclear Regulatory Commission (NRC) Review of the Partial License Termination
Findings for the Mount Lucas Project site of the R03626 License Submitted by the
Texas Commission on Environmental Quality (TCEQ)**

Licensee:	South Texas Mining Venture, L. L. P.
License No.:	R03626
Type of License:	In-Situ Recovery Uranium Milling License
Location:	Dinero, Texas
Full/Partial Termination:	Partial License Termination
Site Being Terminated:	Mount Lucas Project
Area Being Terminated:	Approximately 6,023 contiguous acres

The NRC's review of the Completion Review Report (CRR) submitted by TCEQ was performed in accordance with the Office of Federal and State Materials and Environmental Management Programs Procedure (FSME) SA-900, "Termination of Uranium Mill Licenses in Agreement States."

On November 22, 2013, TCEQ submitted a draft CRR regarding the proposed partial license termination of the South Texas Mining Venture, L. L. P. license resulting in the release of Mount Lucas Project site (ML13339A414). The draft CRR was reviewed in accordance with SA-900 and comments on the draft CRR were transmitted to TCEQ on February 4, 2014 (ML14050A230). In response to NRC's comments, on March 10, 2014, TCEQ submitted the final CRR to NRC (ML14070A273). The March 10, 2014, response addressed each of NRC's comments and provided the final CRR for the Mount Lucas Project site.

The NRC's review that is necessary to make a determination that all applicable standards and requirements have been met prior to partial termination of an Agreement State license is based on the following: (1) the CRR submitted by the State containing the State's conclusions that all applicable standards and requirements have been met; and (2) the results of NRC reviews of the State's uranium recovery program conducted under the Integrated Materials Performance Evaluation Program (IMPEP) which provides a basis for confidence on the determinations and conclusions reached by the Agreement State and a basis of confidence that the States reviews, licensing actions, and inspections associated with license termination have been conducted appropriately.

The following items were reviewed based on the FSME Procedure SA-900:

- 1.) A brief description of licensee's activities associated with decommissioning and license termination.

Enclosure

Comment: This information is provided under item 1 in Section II of the final CRR attached to the letter sent to FSME from TCEQ dated March 10, 2014, and has been found acceptable. Acreage information for the mine site is also provided under this item.

The NRC's review and concurrence in this matter will result in a partial license termination and the release of the Mount Lucas Project site for unrestricted use.

- 2.) Groundwater information which demonstrates that groundwater has been adequately restored to meet applicable standards and requirements.

Comment: This information is provided under item 2 in Section II of the CRR, and has been found acceptable.

In the State of Texas, the injection authorization associated with leaching of uranium and restoration of groundwater in mining zones is under the jurisdiction of the Underground Injection Control (UIC) program. Over the years, the UIC program has been under the jurisdiction of the Texas Water Commission, which became the Texas Natural Resource Conservation Commission (TNRCC), which subsequently became TCEQ.

During mining activities at the Mount Lucas Project site, injection authorization associated with the mining of uranium and restoration of the groundwater in the mining zones was initially under the jurisdiction of the Texas Water Commission, and subsequently the jurisdiction of the TNRCC. Thus, all data pertaining to the restoration of the groundwater was sent to the TCEQ's predecessor agency, TNRCC, and reviewed by TCEQ.

- 3.) Documentation that the production, injection, and monitoring wells have been closed and plugged in accordance with applicable standards and requirements.

Comment: This information is provided under item 3 in Section II of the CRR, and has been found acceptable.

The TCEQ Radioactive Materials Division has reviewed correspondence between the TNRCC/TCEQ Underground Injection Control Team and South Texas Mining Venture, L. L. P. in which the TCEQ issued a revocation of UIC permits URO2493. These permits were revoked in 1999. TCEQ states that with the exception of 11 wells its correspondence review demonstrates that the wells at the Mount Lucas site have been closed and plugged to meet applicable standards and requirements. TCEQ indicates that the remaining 11 wells were not impacted by the uranium mining operation and were transferred to a private-landowner after groundwater restoration was complete.

- 4.) Decommissioning information which documents that all radiologically contaminated materials have been properly disposed of, transferred to licensee(s) authorized to possess such materials, or meet applicable standards and requirements for release.

Comment: This information is provided under items 1 and 4 in Section II of the CRR, and has been found acceptable. TCEQ indicated that material and/or equipment was decontaminated and released for unrestricted use, or disposed of at an appropriate facility.

- 5.) Discussion of the results of radiation surveys and soil samples analyses which confirm that the licensed site meets applicable standards and requirements for release.

Comment: The results of radiation surveys and soil sample analyses are provided under items 5 and 6 in Section II of the CRR, and have been found acceptable.

Confirmatory surveys were performed by TCEQ staff in October 1997, May 2009, August 2009, May 2010, June 2010, August 2010, January 2011, and February 2011. The purpose of the survey was to confirm the results of the survey data submitted by South Texas Mining Venture, L. L. C. to the TCEQ and to determine if the site met the criteria for release to unrestricted use. Lab analysis of the obtained samples confirmed that the areas do not exceed the criteria for release to unrestricted use. As a result of these findings, the TCEQ is proposing to authorize South Texas Mining Venture, L. L. C. to release the Mount Lucas Project site for unrestricted use and to remove the site from the license.

- 6.) Discussion of results of State's site closure inspection(s).

Comment: This information is provided under item 6 in Section II of the CRR, and has been found acceptable.

As noted in Item 5 above, confirmatory surveys were performed and soil samples were collected by TCEQ in 1997, 2009, 2010, and in 2011. These surveys and analyses indicated that the site could be released for unrestricted use and serve as the State's closure inspections. Furthermore, inspections by TCEQ will not be necessary after the site has been released for unrestricted use.

- 7.) For partial terminations, documentation that release of a portion of the site will not negatively impact the remainder of the site to be closed at a later date.

Comment: The information is provided under item 7 in Section II of the CRR, and has been found acceptable.

TCEQ considered whether the site being removed from the license could be recontaminated by the other site associated with the license and determined that the location of the sites would make that unlikely. TCEQ also determined that removal of the site from its associated license will not in any way prevent or hinder the licensee's ability to complete decommissioning of the remaining licensed site on the license.

- 8.) IMPEP review of the Texas uranium recovery program.

Comment: According to results of the 2010 IMPEP review, the Texas uranium recovery regulatory program was found to be satisfactory based on the IMPEP evaluation criteria. A satisfactory rating is the highest rating possible for each IMPEP common and non-common performance indicator. The overall Texas Agreement State program was found adequate and compatible with the NRC program.

Conclusion:

Based on the review of the above information, as specified in FSME Procedure SA-900, and in accordance with the provisions at 10 CFR 150.15a(a) and Section 274c of the Atomic Energy Act of 1954, as amended, the staff has determined that all applicable standards and requirements for the protection of the public health, safety, and the environment have been met for the Mount Lucas Project on the Radioactive Material License No. R03626, and the site may be released for unrestricted use. The State of Texas may amend License No. R03626 to remove the Mount Lucas Project site.