



NOT RECORDED
REVISED RULE PR-19,20,21, et al. ⑤
(50 FR 13797)

General Office: 772 Horizon Drive, Grand Junction, CO 81501
Corporate Office: 212 West Michigan Avenue, Jackson, MI 49201
Registered Office: 136 South Main, Salt Lake City, UT 84101
Shooting Canyon Operations: P. O. Box 511, Ticaboo, UT 84034

(303) 245-5460
(517) 788-1942
(801) 534-0734
(801) 788-2120
Mill Office

June 3, 1985

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Secretary of the Commission
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

Attention: Docketing and Service Branch

Gentlemen:

This letter is in response to your request for comments on the proposed rules published at 50FR 13797 concerning licenses and radiation safety requirements for well-logging operations. In particular, we wish to comment on proposed rule 10 CFR Section 39.51 titled "Use of Sealed Source in a Well Without Surface Casing".

As a uranium mining and milling company, Plateau Resources has drilled more than 9,000 drill holes for a total of over 2 million feet. Most all holes have been logged using a sealed radioactive source. To date, we have not experienced an accidental rupture of a sealed source during logging operations, nor have we had to abandon a sealed source in a drill hole.

The proposed regulations purport to address the economic impact of compliance to well-logging licensees. They do not, however, examine the adverse economic impact on the minerals industry, whose responsibility it will be to see that the drill holes are in fact cased before the well-logging procedure is performed. Our preliminary studies show that the cost to the mineral industry will be substantial and will cause an adverse impact on small to medium-sized companies. The NRC's failure to address the overall impacts and the poorly researched and prepared Regulatory Flexibility Certification show a marked disregard for the U.S. minerals industry which is already economically staggered by regulations such as these for which no need has been shown.

In the discussion under "Problems with the Current Practice", there is an acknowledgement that "... the probability of an accident is small." Nowhere in the proposed regulations is there an assessment of risk to the environment, health or safety associated with the rupture of a sealed source during logging operations.

Plateau's recent annual assessment/development drilling programs average from 30-60 holes per year, or 20,000-40,000 vertical feet. At least one half of the holes encounter water. The definition given for "fresh water aquifer" in Section 39.2 states that the formation must be "capable of yielding a significant quantity of fresh water to a well or spring". "Significant quantity" is not defined. Assuming that all Plateau's holes which encounter water would have to

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Add: Anthony N. TSC 11/30/85

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be cased prior to logging, this would mean an additional cost to cover supplies, contractor's time to install casing, labor costs for support personnel and transportation. It is estimated that the additional cost would double the cost per foot for those holes involved, which would in turn increase the cost of the annual program by a minimum of 30%. Thus, based upon the drilling completed in 1985, the proposed casing regulations would have increased costs from \$55,000 to \$71,500, using the above estimate.

In summary, the NRC has not shown that the proposed well-casing regulations are needed to protect the environment or the public. The seriously deleterious economic impact on the minerals industry was not considered despite the requirement for tremendously increased exploration costs.

Sincerely,

Fred W. Gerdeman

Fred W. Gerdeman
Director of Regulatory Affairs

FWG:kvw