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PROPOSED RULE PR-19,20,21 etal.
(50 FR 13797) (71)

TEXAS UTILITIES MINING COMPANY

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July 19, 1985

B. G. BRADLEY
EXECUTIVE VICE PRESIDENT
AND GENERAL MANAGER

'85 JUL 29 P12:21

DOCKETING & SERVICE
BRANCH

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

Attention: Docketing and Service Branch

Re: NRC Proposed Rule
Part 39, Subpart C
Section 39.51
Use of Sealed Source in Well

Dear Sir:

Texas Utilities Mining Company is submitting the following comments to the referenced proposal published in the April 8, 1985, Federal Register on pages 13800 and 13801.

Texas Utilities Mining Company (TUMCO), a subsidiary of Texas Utilities Company (TUCO), is responsible for mining and transporting coal (lignite) to the TUCO System electrical generating stations. The TUCO System Companies provide electric service in 87 counties in north central, east and west Texas to approximately one-third of the state's population and geographical area.

TUMCO mined and delivered to the generating stations 29,204,991 tons of coal (lignite) in 1984. In coal production, TUMCO is the fourth largest in the nation.

TUMCO has two concerns regarding the referenced proposed rule. The first concern is the impairment of the high resolution density log when run through a casing. In many instances, the log would be obscure and inaccurate and consequently useless. The second concern is the cost of compliance which we estimate to be in excess of $200 per hole.

To support the production of approximately 30 million tons of lignite a year, we drill 3,000 to 4,000 test holes. To get the geophysical information needed from the test holes, a suite of three down hole logs are run. These logs are: 1) single point resistivity, 2) gamma ray, and 3) gamma-gamma density. A cesium 137 source is used to produce the high resolution density log. All three of the logs are recorded from a single trip into the hole, provided it is uncased and is filled with water. For the coal

DS10
Add: Steven McGuire, 11555
Add: Bruce Carrico, 3467SS

Acknowledged by card JUL 29 1985

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industry, this methodology provides accurate data on seam thickness and quality, number and thickness of intraseam partings, and characterization of overburden lithologies. These logs are essential in developing the level of confidence required to support the financial commitment necessary to surface mine lignite in the Wilcox geological trend in Texas.

The following scenarios outline the procedures we presently use in drilling and logging test holes for lignite exploration and the procedures that would be used if the referenced proposed rule was implemented.

Present Procedure:

1) Rig drills hole to desired depth leaving it open and full of water.

2) Rig moves to next drill site.

3) Logger runs probe into open hole and records the three-log suite in a single trip.

4) Logger plugs hole and moves to next drill site.

Procedure if proposed rule implemented:

1) Rig drills hole to desired depth leaving it open and full of water.

2) Rig stays over hole.

3) Logger drops probe through rotary table into open hole to record resistivity and gamma ray logs.

4) Rig runs casing to bottom of hole.

5) Rig stays over hole.

6) Logger drops probe through rotary table into cased hole to record gamma-gamma density log.

7) Rig pulls casing from test hole.

8) Rig loads salvaged casing.

9) Rig moves to next site.

10) Logger plugs hole and moves to next site.

Comparison of the Two Procedures:

Present Procedure			Proposed Procedure			Difference
	Time	Cost		Time	Cost	Cost
1)	Same	Same	1)	Same	Same	-
2)	Same	Same	9)	Same	Same	-
3)	Same	Same	3)	Same	Same	-
4)	Same	Same	10)	Same	Same	-
			2)	1/2 hr.	$ 50	$ 50
			4)	3/4 hr.	$ 75	75
			5)	1/2 hr.	$ 50	50
			6)	1/2 hr.	$ 12.50	12.50
			7)	1/2 hr.	$ 50	50
			8)	1/4 hr.	$ 25	25
T O T A L						$262.50

This increased cost per hole would add $787,500 to $1,050,000 to TUMCO's operating budget since 3,000 to 4,000 test holes are drilled annually.

In addition, these estimates do not allow any monies for well casing that cannot be salvaged nor the cost of additional drilling and logging equipment and manpower required to offset the loss of 2-1/2 hours rig time and 1/2-hour logging time per hole as shown in the above scenarios. Both of these items will add substantial dollars to the bottom line cost of a drill hole.

Since this proposed rule will be very costly to companies involved in hard mineral and water exploration and development and detrimental in general to the quality of geophysical information that can be obtained from high resolution density logs, we recommend test holes drilled to maximum depths of 500 feet be exempt from this regulation.

Also, this proposed rule is not justified by bad past experiences. The Federal Register reported only two incidents involving the rupture of sources in well holes occurring between August 1982 and September 1983. Both of those occurred during fishing operations to recover a stuck or lost probe. There were 50,000 well-logging operations during this period. The odds on this incident re-occurring is 25,000 to 1. This is a very, very small risk factor. It would be interesting to know if both of the accidents happened in deep oil and gas explorations. In addition, it would be good to know how many incidents involving a ruptured source have ever occurred in shallow, hard mineral exploration and development activities.

Adoption of the proposed rule would result in expensive adjustments in TUMCO's drilling program. Any such costs incurred by our Company would adversely impact our customers through resulting higher electric rates.

Thank you for the opportunity to comment on this proposal.

Respectfully,

B. G. Bradley

BGB:kj

cc: Ruth McBurney
Bureau of Radiation Control
Texas Department of Health