



Corporate Offices:
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Shootaring Operations:
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October 7, 1996

Mr. Mark Novak
Utah Water Quality Division (UWQD)
Ground Water Dept.
P.O. Box 144870
Salt Lake City, UT 84114-4870

Re: Shootaring Canyon Uranium Mill
(NRC License No. SUA-1371, Docket No. 40-8698).

Dear Mr. Novak:

This letter constitutes my understanding of issues brought up in our discussion by phone on Friday October 4 and Monday October 7, 1996.

I am in the process of making application for a Ground Water Discharge Permit (GWDP) relative to the Tailings Impoundment at the Shootaring Uranium Processing facility at Ticaboo, Utah. We submitted an application to the NRC in March 1996 for an amendment and renewal to start operating the facility. A copy of this application was forwarded to you by me last month. Some of the information requested in the GWDP application is included in the document I sent you. You stated that after your review of the submitted information the Company still hadn't submitted sufficient data for the UWQD to make any determinations.

During the phone conversation, I got the impression that the UWQD will be requesting that the use of any part of the existing Impoundment be lined with synthetic liners and have a leak detection system. The Company has volumes of information which can be used to justify using the cells as constructed and as presently exists. Much of the information has previously been submitted to the NRC for the original license to operate and all of the information at one time or another was reviewed by the NRC. Much of the information was also reviewed by the Utah Water Pollution Committee prior to their issuance of a permit to construct and operate in August 1979 (a copy of the approval letter is attached). We realize that new regulations have been promulgated over the years, however, the rules do allow for an exemption for a double liner and leak detection system in certain cases. We feel that the portion of the impoundment above the cross valley berm would qualify as an existing impoundment and therefore qualify to be used as constructed. The portion below the cross valley berm is another matter, however and we feel an exemption from installing a double liner may be in order considering the

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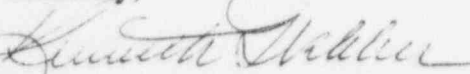
Mr. Mark Novak
Utah Water Quality Division
Ground Water Department
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reasons and data as published in various professional studies completed in the past by the Company. These reports will be forwarded to you shortly after they are obtained from storage at the mill.

The enclosed report dated October 19, 1984 by Woodward Clyde Consultants titled "*Infiltration Transport Or Migration Rates Of Radioactive Nuclides And Other Toxic Ions At The Shoshone Canyon Mill Tailings Impoundment*" should be of interest to you. The conclusion was reached that little environmental impact had occurred as a result of a release of tailings fluids into the lower impoundment. The seepage was at a time when, a portion (which constituted most of the impoundment) was unlined. We intend to clay line the entire impoundment, divert excess run off away and plan to continually dewater the cell during operations by the use of the underdrain system.

A field trip with your department, to the millsite is planned for the 16th of this month and we are receptive to a meeting in your offices in Salt Lake at anytime to hammer out a solution to problems that may be of concern to the UWQD. In the meantime, we will be sending you information to keep you informed as to the data that has already been accumulated over the last 18 years. We will try to send as much as possible, prior to our meetings which will assist you in understanding our position on the use of the existing tailings impoundment. The material being sent is also intended to be considered information submitted for the GWDP Application. We are hopeful that the GWDP application can be submitted within 30 days on the form you provided.

Sincerely,



Kenneth Webber
Environmental Coordinator

KW/ms

cc: Mr. Joseph J. Holonich, Chief
High Level Waste & Uranium Recovery Projects Branch - MS-T7J9
Division of Waste Management
Office of Nuclear Materials Safety & Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001 w/attachments

HLW

Noel Savignac
Radiation Protection Consultant
6501 Americas Parkway NE, Suite 800
Albuquerque, NM 87110 w/attachments



Social Services

Scott M. Matheson, Governor, State of Utah
Anthony W. Mitchell, Ph.D., Executive Director

(801) 533-6146

August 6, 1979

Mr. R.B. Sewell
Manager of Operations
Plateau Resources
141 East First South
Salt Lake City, Utah 84111

RE: Tailings Pond
Shooter Canyon

Dear Mr. Sewell:

We have reviewed the Plateau Resources Shooter Canyon environmental report, plans and information for the uranium mill total containment tailings pond in Garfield County. Plans 800-4605, Figures 1-5, Woodward Clyde May, 1979, Final Tailings Impoundment Plan and the Groundwater Monitoring wells report were reviewed.

As a result of our review, the plans for the Plateau Resources Shooter Canyon Mill tailing pond, Stage I, are approved and a construction permit as constituted by this letter is hereby issued, provided:

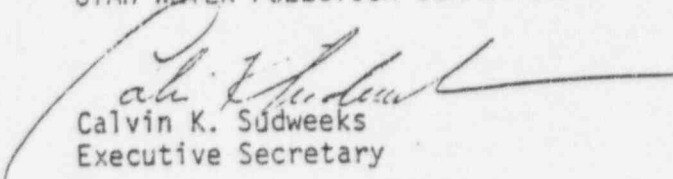
1. The company submits to this office quarterly operating reports of the recycle flow rate, recycle pH, monitoring well depth and chemical analysis.
2. Additional waste rock or other neutralization measures are provided if the recycle pH is less than 3 or a monitoring well pH is less than 6.

The uranium tailing total containment pond will have an area of approximately 70 acres and a volume of 2600 acre feet for the disposal of 750 tons of tailings per day. Stage I construction will consist of five tailings cells, a two-foot thick clay liner, underdrain system, cross valley berm, recycle system, six monitoring wells and a downstream 85 foot high dam.

Additional plans should be submitted to this office prior to construction of Phase II or if other additional corrective measures are indicated by monitoring data.

Sincerely,

UTAH WATER POLLUTION COMMITTEE



Calvin K. Sudweeks
Executive Secretary

cc: EPA, Salt Lake City
Five-County 208
Gas, Oil and Mining
Division of Water Rights

SM:lp