



UNITED STATES  
ATOMIC ENERGY COMMISSION  
WASHINGTON, D.C. 20545

JUL 27 1973

Joanna Becker  
Office of the General Counsel

ATLAS MINERALS COMPANY URANIUM MILL, MOAB, UTAH (DOCKET NO. 40-3453)

The purpose of this memorandum is to obtain your comments and counsel relating to the reconstruction of the Atlas Minerals Company Mill partially destroyed by fire in 1968. In particular, we are interested in determining the most suitable way to proceed, taking into consideration the potential environmental impact of the activities and the socio-economic aspects of delays in authorizing them to proceed with the construction as proposed by Atlas Minerals Company.

Atlas has been operating the Moab Milling facilities for about 17 years. Until late in 1968, they had two parallel uranium leaching circuits, one alkaline and one acid. At that time, the acid leach line was destroyed by fire, but Atlas had sufficient stocks of suitable ore to allow them to continue operating until now with only the alkaline leach circuit. The Atlas supplies of ore of that kind have now been depleted and the company wants to resume processing ore which will require both the alkaline circuit and the acid circuit. The products of their milling operation will be both uranium oxide, yellowcake, and vanadium oxide. The change will require reconstruction of an acid leach circuit to replace the plant lost in the fire. The replacement facility will employ the same unit operations as previously licensed with some modifications in technology to improve yields and reduce wastes. The result will be a modern facility with less potential for environmental impact than that of either the previous system, pre 1968, or the present 17-year old system.

Additionally, during the construction phase, Atlas plans to dismantle decontaminate and remove some surplus and obsolete buildings and equipment now on the site making them available for sale as salvage. This aspect of their proposed activities is being handled by Fuel Fabricating and Reprocessing Branch of Fuels and Materials as previously done for Vanadium Corporation of America.

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The staff has informed Atlas that they must prepare and submit an environmental report which will allow us to assess the environmental impact of the proposed activities. Atlas is in the process of issuing the ER at the present time. We have reviewed an early draft of that report and provided some guidance as to the deficiencies omissions and topics which need further detailed treatment. The plant has not had a "significant adverse impact on the human environment" in the 17 years of operating history available. The proposed changes will result in a decrease in environmental effects from curtailing liquid discharges from the plant and replacement of old process systems with new, but perhaps the overriding consideration in the case is the socio-economic impact of the Atlas Mill in the community of Moab.

Atlas Minerals employs about 70 of the 350 people directly employed in the mining industry in Grand County - the Moab district. The Community of Moab now has a total civilian working force of 2767 people, down from 3100 in 1968. Direct payrolls from the Moab Mill added to the value of local purchases of supplies and services represent a major fraction of the total economy of Moab. The potential impact of delaying construction should take these factors into consideration. Atlas acknowledges a potential economic hardship from delay which they estimate as \$450,000 to \$500,000 incurred at a rate of about \$30,000 per month. They are now attempting to reduce that loss by processing low grade ores which they believe could reduce the rate of loss to \$15,000 per month. They are operating intermittently with a reduced work force in an effort to retain their key people.



R. B. Chitwood, Chief  
Technical Support Branch  
Directorate of Licensing

Docket file  
40-3453

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Original signed by R. B. Chitwood

R. B. Chitwood, Chief  
Technical Support Branch  
Directorate of Licensing

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