

MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee		3. License Number	
1. Plateau Resources Limited		SUA-1371	
2. Box 2111 Ticaboo Lake Powell, Utah 84533-2111		4. Expiration Date	April 30, 2002
		5. Docket or Reference No.	40-8698
6. Byproduct, Source, and/or Special Nuclear Material	7. Chemical and/or Physical Form	8. Maximum Amount that Licensee May Possess at Any One Time Under This License	
Natural Uranium	Any	Unlimited	

Section 9: Administrative Conditions

- 9.1 The authorized place of use shall be the licensee's Shootaring Canyon uranium milling facility, located in Garfield County, Utah.
- 9.2 All written notices and reports to the NRC required under this license, with the exception of incident and event notifications under 10 CFR 20.2202 and 10 CFR 40.60 requiring telephone notification, shall be addressed to the Chief, Uranium Recovery Branch, Division of Waste Management, Office of Nuclear Material Safety and Safeguards.

Incident and event notifications that require telephone notification shall be made to the NRC Operations Center at (301) 816-5100.

- 9.3 The licensee shall conduct operations in accordance with statements, representations and conditions contained in the license renewal application dated March 1, 1996, as revised by submittals dated September 16, and November 15, 1996, and April 17, 1997, except where superseded by license conditions below.

Whenever the word "will" is used in the above referenced sections, it shall denote a requirement.

- 9.4 A. The licensee may, without prior NRC approval, and subject to the conditions specified in Part B of this condition:
- (1) Make changes in the facility or process, as presented in the application.
 - (2) Make changes in the procedures presented in the application.

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- (3) Conduct tests or experiments not presented in the application.
- B. The licensee shall file an application for an amendment to the license, unless the following conditions are satisfied.
- (1) The change, test, or experiment does not conflict with any requirement specifically stated in this license, or impair the licensee's ability to meet all applicable NRC regulations.
 - (2) There is no degradation in the essential safety or environmental commitments in the license application, or provided by the approved reclamation plan.
 - (3) The change, test, or experiment is consistent with the conclusions of actions analyzed and selected in the EA dated April 1997.
- C. The licensee's determinations concerning Part B of this condition, shall be made by a "Safety and Environmental Review Panel (SERP)." The SERP shall consist of a minimum of three individuals. One member of the SERP shall have expertise in management and shall be responsible for managerial and financial approval changes; one member shall have expertise in operations and/or construction and shall have responsibility for implementing any operational changes; and, one member shall be the corporate radiation safety officer (CRSO) or equivalent, with the responsibility of assuring changes conform to radiation safety and environmental requirements. Additional members may be included in the SERP as appropriate, to address technical aspects such as health physics, groundwater hydrology, surface-water hydrology, specific earth sciences, and other technical disciplines. Temporary members or permanent members, other than the three above-specified individuals, may be consultants.
- D. The licensee shall maintain records of any changes made pursuant to this condition until license termination. These records shall include written safety and environmental evaluations, made by the SERP, that provide the basis for determining changes are in compliance with the requirements referred to in Part B of this condition. The licensee shall furnish, in an annual report to NRC, a description of such changes, tests, or experiments, including a summary of the safety and environmental evaluation of each. In addition, the licensee shall annually submit to the NRC changed pages to the approved license application to reflect changes made under this condition.

The licensee shall submit to the NRC, by June 30, 1997, for review, the standard operating procedures (SOPs) needed to implement this license condition. The licensee shall not implement any provision of this license condition until NRC has found the proposed SOPs acceptable.

- 9.5 The licensee shall maintain an NRC-approved financial surety arrangement, consistent with 10 CFR 40, Appendix A, Criteria 9 and 10, adequate to cover the estimated costs, if accomplished by a third party, for decommissioning and decontamination of the mill and mill site, for reclamation of any tailings or waste disposal areas, ground water restoration as warranted and the long-term surveillance fee. Within 3 months of NRC approval of a revised

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reclamation/decommissioning plan, the licensee shall submit, for NRC review and approval, a proposed revision to the financial surety arrangement if estimated costs in the newly approved plan exceed the amount covered in the existing financial surety. The revised surety shall then be in effect within 3 months of written NRC approval.

Annual Updates to the surety amount, required by 10 CFR 40, Appendix A, Criteria 9 and 10, shall be submitted to the NRC at least 3 months prior to the anniversary of the effective date of the approved surety arrangement. If the NRC has not approved a proposed revision to the surety coverage 30 days prior to the expiration date of the existing surety arrangement, the licensee shall extend the existing surety arrangement for 1 year. Along with each proposed revision or annual update, the licensee shall submit supporting documentation showing a breakdown of the costs and the basis for the cost estimates with adjustments for inflation, maintenance of a minimum 15 percent contingency fee, changes in engineering plans, activities performed, and any other conditions affecting estimated costs for site closure. The basis for the cost estimate is the NRC approved reclamation/decommissioning plan or NRC approved revisions to the plan. The previously provided guidance entitled "Recommended Outline for Site Specific Reclamation and Stabilization Cost Estimates" outlines the minimum considerations used by the NRC in the review of site closure estimates. Reclamation/decommissioning plans and annual updates should follow this outline.

The currently approved financial surety arrangement, a Surety Trust Agreement between Plateau Resources Limited and First Interstate Bank of Commerce, shall be continuously maintained in an amount no less than \$6,784,159 for the purpose of complying with 10 CFR 40, Appendix A, Criteria 9 and 10, until a replacement is authorized by the NRC.

- 9.6 Standard operating procedures shall be established and followed for all operational process activities involving radioactive materials that are handled, processed, or stored. SOPs for operational activities shall enumerate pertinent radiation safety practices to be followed. Additionally, written procedures shall be established for non-operational activities to include in-plant and environmental monitoring, bioassay analyses, and instrument calibrations. An up-to-date copy of each written procedure shall be kept in the mill area to which it applies.

All written procedures for both operational and non-operational activities shall be reviewed and approved in writing by the Environmental and Radiological Health Supervisor (ERHS) before implementation and whenever a change in procedure is proposed to ensure that proper radiation protection principles are being applied. In addition, the ERHS shall perform a documented review of all existing operating procedures at least annually.

- 9.7 The licensee shall have an archeological survey performed prior to disturbing any previously unsurveyed areas. The licensee shall immediately notify the NRC and the Office of State Historic Preservation if artifacts are discovered during disturbance.

- 9.8 The licensee is hereby authorized to possess byproduct material in the form of uranium waste tailings and other uranium byproduct waste generated by the licensee's milling operations authorized by this license. Mill tailings shall not be transferred from the site without specific prior approval of the NRC in the form of a license amendment. The licensee shall maintain a permanent record of all transfers made under the provisions of this condition.

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- 9.9 The licensee is hereby exempted from the requirements of Section 20.1902(e) of 10 CFR Part 20 for areas within the mill, provided that all entrances to the mill are conspicuously posted in accordance with Section 20.1902(e) and with the words, "Any Area Within this Mill May Contain Radioactive Material."

Section 10: Operational Controls, Limits, and Restrictions

- 10.1 The mill production per calendar year shall not exceed 1,004,000 pounds of yellowcake.
- 10.2 All liquid effluents from mill process buildings, with the exception of sanitary wastes, shall be returned to the mill circuit or discharged to the tailings impoundment.
- 10.3 The licensee shall notify the NRC at least ninety (90) days in advance of commencing ore processing through the mill.
- 10.4 The licensee is not authorized to commence mill operations until a final tailings impoundment liner design has been approved by NRC and the approved liner installed in the impoundment.
- 10.5 The licensee shall not expand the tailings impoundment area by raising the height of the dam above its present elevation or by constructing any additional dams without prior NRC approval in the form of a license amendment.
- 10.6 The licensee shall comply with the following regarding the operation of the tailings disposal system:
- A. A detailed embankment instrumentation program shall be submitted for NRC approval at least 3 months prior to placing tailings effluent against the current dam or raising the current dam above its present height.
 - B. A minimum of 13 feet of freeboard shall be maintained between the top of the current dam and the tailings pond level.
- 10.7 Prior to resuming operations, the licensee shall conduct and document a technical evaluation of all existing cross-valley berms and the tailings dam, including a review of all embankment instrumentation data and inspection reports. This evaluation shall be performed by a qualified geotechnical individual familiar with the design, construction and operation of the berms and dam, with a copy of the evaluation report submitted to NRC within one month of the completion of the evaluation. This technical evaluation shall be conducted annually; copies of these subsequent evaluation reports shall be retained onsite.
- 10.8 The wet foam and sprinkler fire suppression systems must be fully functional prior to the introduction of kerosene into the mill circuit and the resumption of mill operations.

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Section 11: Monitoring, Recording, and Bookkeeping Requirements

- 11.1 The results of sampling, analyses, surveys and monitoring, the results of calibration of equipment, reports on audits and inspections, all meetings and training courses required by this license and any subsequent reviews, investigations, and corrective actions, shall be documented. Unless otherwise specified in the NRC regulations all such documentation shall be maintained for a period of at least five (5) years.
- 11.2 The licensee shall conduct the environmental and effluent monitoring program described in Table 5.5-7 of the license renewal application, with the following modifications:
- A. During periods of standby, stack sampling is not required.
 - B. The flow rate from the yellowcake dryer and packaging stack shall be measured quarterly at the time stack sampling is conducted.
- 11.3 The licensee shall implement a groundwater detection monitoring program to ensure compliance with 10 CFR 40, Appendix A, as follows:
- A. The licensee shall sample monitoring wells RM-4, RM-5 and RM-6, on a semiannual basis, with samples taken at least 4 months apart. The samples shall be analyzed for arsenic, chloride, selenium, U-nat, and pH.
 - B. The licensee shall compare the analysis results against the following threshold values: arsenic = 0.022 mg/l, chloride = 40 mg/l, selenium = 0.022 mg/l and pH = 6.8 standard units or less. If the threshold values are exceeded, the licensee shall propose, within 60 days of a measured exceedance, an expanded detection monitoring program to define the extent and concentration of hazardous constituents in the uppermost aquifer.
 - C. The licensee shall submit the data and comparison results required under subsections A and B, respectively, with the semiannual reports required under 10 CFR 40.65.
 - D. The licensee shall report at least annually in accordance with the reporting requirements specified in subsection C, the rate and direction of groundwater flow under the tailings impoundment.
- 11.4 The licensee shall conduct an inspection program of the tailings disposal system in accordance with Regulatory Guide 3.11.1.
- 11.5 The licensee shall conduct the in-plant radiological monitoring program described in Table 5.5-1 of the license renewal application, with the following modifications:
- A. The licensee shall document problems observed during the daily visual walk-through inspections in writing; and

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B. The ERHS and the mill foreman, or qualified designees, shall perform weekly inspections to observe general radiation control practices and to review required changes in procedures and equipment.

11.6 License conditions 11.3, 11.4, and 11.5 shall take effect with the commencement of ore processing through the mill.

Prior to the commencement of ore processing, the licensee shall conduct the radiation safety and environmental monitoring programs in Tables 5.5-3 and 5.5-8, respectively, of the license renewal application. In addition, the licensee shall immediately notify the NRC of any failure in the tailings embankment or tailings discharge system which results in the release of radioactive material.

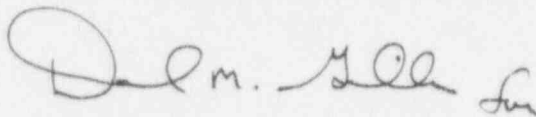
11.7 The licensee shall perform an annual ALARA audit of the radiation safety program in accordance with Regulatory Guide 8.31.

Section 12: Reporting Requirements

12.1 Notwithstanding the decommissioning plan contained in Section 5.5.9 of the renewal application, the licensee shall submit a detailed decommissioning plan to the NRC at least twelve (12) months prior to planned decommissioning activities.

12.2 Monitoring data provided in accordance with the requirements of 10 CFR 40.65 shall be reported in the format shown in the NRC guidance entitled, "Sample Format for Reporting Monitoring Data."

FOR THE NUCLEAR REGULATORY COMMISSION



Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management
Office of Nuclear Material
Safety and Safeguards

Date: May 2, 1997