

HOMESTAKE MINING COMPANY

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May 1, 1997

U.S. Nuclear Regulatory Commission
Division of Waste Management, MST-7-J-9
Attn: Mr. Joseph J. Holonich, Chief
High-Level Waste and Uranium
Recovery Projects Branch
11555 Rockville Pike
Rockville, MD 20850

REF: Docket 40-8903, License SUA-1471
Reply to a Notice of Violation

Dear Mr. Holonich:

On April 2, 1997, Homestake Mining Company of California (Homestake) received the NRC Inspection Report 40-8903/97-01 and Notice of Violation which indicated that there were two Severity Level IV violations as a result of an inspection conducted the week of February 12, 1997 at the Grants reclamation site. The following responses were prepared in accordance with the NRC Information Notice 96-28.

Violation Number 1

Statement of Violation:

License Condition 15 states, in part, that all effluent and environmental monitoring data shall be reported to the NRC in the format shown in the attachment to License SUA-1471 entitled, "Sample Format for Reporting Monitoring Data "

Contrary to the above, the licenses's January-June 1996 semi-annual report, submitted to the NRC on August 30, 1996, did not comply with the sample format that was attached to the license. Specifically, data including error estimates, lower limits of detection, and comparison of the sample results to the effluent guideline values were not included in the licensee's semi-annual report.

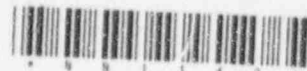
Response:

This violation is related to improper format for Attachment 1, Perimeter Particulate Air

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Sampling, a table of air sampling results in the Semi-Annual Environmental report submitted to NRC each year. Homestake has been preparing the semi-annual environmental reports since 1986. The format for the document, including the table in question, was established in 1986 and has been duplicated each year since. Prior to this inspection, it had never been called to anyone's attention that the format, especially the format for a specific table, had not followed the NRC suggested sample format. Each year the new reports were naturally prepared by using the format from the older reports by following what was perceived as the proper format for the document and the associated tables, without regard to a re-review of licensing requirements.

Since the 1996 semi-annual report was in the final draft form at the time of the February 1997 audit the inspector suggested that the format be changed for the 1997 reports rather than change the 1996 July-December report. Homestake will modify the format for the table in question to reflect the NRC sample format for the 1997 reports and all subsequent reports.

Violation Number 2

Statement of Violation:

License Condition 35.A states that the licensee shall implement the groundwater monitoring program shown in Table 2, "Homestake Groundwater Monitoring Program." of the licensee's September 2, 1993 submittal.

Contrary to the above, the licensee failed to sample point-of-compliance Wells S3, S4, M5, and DQ in the fourth quarter of 1996, although a quarterly sample is required by Table 2. In addition, the licensee failed to obtain for analysis a valid radium-226 sample from point-of-compliance Well Y during the first half of 1996.

Response:

The violation references two separate sampling procedures.

Homestake employs a consulting hydrological firm to assist in the ground water remediation program. One of the deliverables from this firm is a sampling schedule that the site technicians use to schedule the well sampling. Unfortunately, Homestake did not do an adequate review of this schedule prior to implementing the schedule. By the time the discovery was made that the fourth quarter samples were not obtained, it was too late to obtain the samples. Although the sampling schedule was reviewed by site management prior to implementing, a late modification to the fourth quarter sampling schedule changed the schedule which was missed during a follow-up review of the modifications.

Homestake asked the hydrologist to prepare an evaluation of the impact associated with not sampling the wells. The conclusion was that the missing samples were not critical in the evaluation of the long-term water quality and that no significant harm resulted. A

comparison of the 1995 and 1996 concentration range for the three key parameters is tabulated below:

Well S3			
Year	U (mg/l)	Mo (mg/l)	Se (mg/l)
1995	14.50 - 16.1	7.57 - 9.32	0.43 - 1.43
1996	13.2 - 14.6	7.37 - 8.20	0.389 - 0.697

Well S4			
Year	U (mg/l)	Mo (mg/l)	Se (mg/l)
1995	3.85 - 9.99	2.90 - 12.9	0.24 - 0.88
1996	5.26 - 7.61	3.57 - 6.82	0.17 - 0.38

Well M5			
Year	U (mg/l)	Mo (mg/l)	Se (mg/l)
1995	4.07 - 6.99	3.94 - 7.57	0.43 - 0.80
1996	4.12 - 4.83	4.40 - 5.59	0.35 - 0.40

Well DQ			
Year	U (mg/l)	Mo (mg/l)	Se (mg/l)
1995	44.4 - 49.7	18.0 - 24.4	8.68 - 11.2
1996	46.2 - 49.1	2.27 - 19.4	5.82 - 7.51

The range of concentrations observed in 1996 are generally slightly less than those observed in 1995. This comparison shows that the ground water quality is changing very slowly. The missing of the fourth quarter water quality results is not vitally important to the overall site definition of the water quality changes.

In order to prevent similar occurrences in the future, Homestake has instituted a review procedure for all regulatory-based schedules and procedures prior to implementation. A sign off by the Corporate Manager of Reclamation is required prior to final implementation.

The second part of this violation was the result of poor sampling protocol by a site technician for a quarterly water sample from a single well. Sample runs require a spiked sample to be included with each sample set as a laboratory control. A single sample for Well Y, to be

analyzed for Ra-226, was inadvertently spiked as per the QA procedure and shipped for assay without having the regular sample shipped for the same time period. Therefore only the results for the spiked sample could be reported for that sample for the first half of the year.

In the second half of the year in 1996, two Ra-226 samples were taken during the semi-annual sample period for Well Y. The two sample values were 0.2 and 0.3 pCi/l. Historically RA-226 values for Well Y have ranged from <0.1 to 0.7 pCi/l, with average value of 0.2 pCi/l. The two second half 1996 samples show that the Ra-226 concentration was well within the historical range, indicating that the missed sample is not significant as compared to the overall trend for this well.

Since Ra-226 is not a primary contaminant at the site, the impact from not obtaining this value is not of great concern. However, in order to prevent a similar event in the future, Homestake has modified the sampling schedule to collect samples early in the sampling period so an additional sample could be collected prior to the end of a sample quarter if required.

Conclusion:

Homestake plans to initiate an extensive review to identify all regulatory requirements associated with managing the Grants reclamation site. While we believe that all of the requirements are known and currently being met, this review will better provide assurance to management that the chance for violations similar to Violation Number 1 will be eliminated or greatly reduced.

Violation Number 2 occurred because Homestake did not have a procedure in place to assure that the sampling schedules was properly reviewed prior to use. In addition, no provisions were made to provide a backup water sample in case the vendor laboratory results were not usable. Procedures have been put into place to provide better review of work schedules and to ensure all required samples will be taken and assayed within the required time and reported properly.

If you have any additional questions or require any additional information please contact me at the Grants project.

Sincerely,

HOMESTAKE MINING COMPANY OF CALIFORNIA



Roy R. Cellan

Corporate Manager of Reclamation

xc: Mr. C. Cain, NRC
Harold F. Barnes SFO