



July 29, 2011

Steve Tarlton, Manager  
Radiation Management Unit  
Hazardous Materials and Waste Management Division  
Colorado Department of Public Health and Environment  
4300 Cherry Creek Drive South  
Denver, Colorado 80246-1530

Re: May 13, 2011 CDPHE Review of "Soil Remediation Plan for Site Decommissioning and Radioactive Materials License Termination, Radioactive Materials License CO-369-01, Canon City Milling Facility, March 30, 2011"

Dear Mr. Tarlton,

Per the above referenced Colorado Department of Public Health and Environment ("CDPHE") review of the Soil Remediation Plan ("Plan") for the Canon City Milling Facility, Cotter Corporation N.S.L. ("Cotter") met with CDPHE on June 21, 2011 and on July 18, 2011 to discuss issues raised by CDPHE in its May 13, 2011 review letter. The purpose of these meetings was to reach a consensus path forward for developing appropriate revisions to the Plan. A summary of concerns along with a proposed path forward is as follows:

- In general, existing data Cotter provided in the Plan sufficiently characterizes impacted areas with respect to radiological constituents, particularly in a context of the outlined cleanup strategy. As indicated in the Plan, Cotter has committed to addressing characterization and potential remediation of leach fields during general soil cleanup efforts, not in advance as the leach fields are still in use.
- In areas of the site associated with the 1979 mill ("1979 Mill"), potential subsurface contamination involving non-radiological constituents, in particular, volatile organic compounds ("VOCs") such as aliphatic hydrocarbons found in petroleum based fuels or hydrocarbon derivatives such as those found in mill process related solutions (e.g. kerosene, amides, etc.), may not have been adequately investigated in the past.
- Cotter will revise the Plan to include a screening investigation to identify any subsurface contamination involving VOCs or process related solutions in the vicinity of the 1979 Mill. The investigation will include:
  1. A document search and review of any historic studies in which VOCs or other non-radiological parameters were evaluated in developing contaminants of concern for the site as part of the CERCLA process or other site assessments.

2. Interviews with long-time mill employees to help identify any VOCs or process related solutions that were present in significant quantities during the site's history. All interviews will be properly documented.
  3. In conjunction with steps 1 and 2 above, a plan will be developed to screen subsurface soils with soil gas chromatography in the vicinity of 1979 Mill as an addition to the ongoing trichloroethylene (TCE) investigation. Soil and groundwater contamination by VOCs can often be identified by analyzing trace gases in soils just below ground surface. Soil gas surveying is a fast, preliminary monitoring technique for the detection of VOCs in soil and groundwater.
  4. A plan will be developed to directly screen groundwater samples using conventional analytical methods for evidence of any organic compounds identified in Steps 1 and 2 above within monitoring wells in the vicinity of the 1979 Mill including the nearest downgradient monitoring well(s). If such contamination exists in groundwater, further investigation of subsurface soils will be conducted accordingly.
- A specific assessment will be performed for outlying areas where contamination exists but no remediation is planned due to potential ecological damage and remedial impracticality issues. Specifically, this includes the steep, forested, escarpment immediately east of the primary impoundment. Historic survey data for this area is available and due to the wind-blown nature of this contamination, these data are expected to be applicable and sufficient. Cotter will perform a separate RESRAD dose assessment and analysis of potential detrimental environmental effects of any soil remediation in this area. With respect to low-lying "wetland" areas between the mill and the SCS dam, Cotter intends to remediate soils in this area in accordance with the current Plan and additional characterization or assessment is thus not warranted.

Cotter anticipates that revisions to the Soil Remediation Plan to address these issues will be completed by the end of September, 2011.

If you have any questions, please contact me @ (719) 275-7413 ext. 202 or by email at [john.hamrick@cotterusa.com](mailto:john.hamrick@cotterusa.com).

Sincerely,



John Hamrick  
Vice President, Mill Operations

cc: Amory Quinn