

STATE OF COLORADO

Bill Ritter, Jr., Governor
James B. Martin, Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department
of Public Health
and Environment

JUL 25 2008

Mr. John Hamrick
Cotter Cañon City Milling Facility
P. O. Box 1750
Cañon City, Colorado 81215-1750

CERTIFIED MAIL NO.

7007 0220 0001 0159 5607

RE: Cotter Corporation Cañon City Mill
Colorado Radioactive Materials License 369-01
Notice of Violation

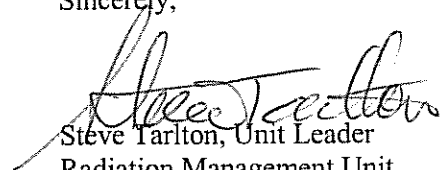
Dear Mr. Hamrick:

Recent ground-water analytical results from the first quarter 2008 for uranium contain additional information that provides a better definition of the plume of radioactive material north and west of the Cotter Mill complex, and outside the restricted area of the licensed facility. Ground water north and west of the Cotter Mill complex contains dissolved uranium in excess of the recently promulgated Colorado ground water standard of thirty (30) micrograms per liter (5 CCR 1002-41). The source is the Cotter Mill restricted area.

This letter is notification that the Cotter Corporation is in violation of License Condition 23.1. Cotter Corporation is directed to take timely corrective action to mitigate the contamination from the Cotter facility in the area north and west of the mill complex. We expect that this corrective action will initially include additional characterization of the plume, and investigation of sources in the mill area. Within sixty (60) days of receipt of this letter, please submit a program proposal and schedule to the Department.

If you have any questions or would like to meet and discuss this issue, please call Edgar Ethington at (303) 692-3438, or me at (303) 692-3423.

Sincerely,


Steve Tarlton, Unit Leader
Radiation Management Unit



RECEIVED
COTTER CORP
Radiation Safety Dept.

JUL 29 2008

CC: Amory Quinn, Cotter Corporation
Jerry Goad; AGO
Phil Egidi; CDPHE
File 369-01 File 5.

Distribution:
