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Refining & Supply Company
3225 Gallows Road
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VIA OVERNIGHT MAIL

July 21, 2006

ExxonMobil
Refining & Supply

✓ Janet Schlueter
Nuclear Regulatory Commission
Office of State and Tribal Programs
11555 Rockville Pike, RM 3C-10
Rockville MD 20852

Ray Plienness
Department of Energy
Office of Land and Site Management
2597 B 3/4 Road
Grand Junction, CO 81503

Gary L. Smith, Ph.D., Manager
Texas Department of State Health Services
Radiation Safety Licensing Branch
1100 West 49th Street
Austin, Texas 78756-3199

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STP

**Subject: Exxon Mobil Corporation, Ray Point (Felder) Tailings Reclamation
Radioactive Material License No. L01431
Three Rivers, Texas**

Dear Regulatory Agency Managers,

ExxonMobil is moved towards completing closure activities at the Ray Point (Felder) uranium tailings facility in South Texas. While there are several small tasks yet to be completed, we believe final closure and site transfer to the Department of Energy can occur in the near future. We therefore believe that the timing is right to have a meeting with the major stakeholders to begin the final planning for our license termination and site transfer.

This letter provides a brief summary of the site history and proposes a time for the initial meeting in Austin, Texas.

Site Background

The site is located approximately 6 miles northeast of Three Rivers, Texas along State Highway 72. The location is shown on Figure 1.

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The facility was operated by the early 1970's by Susquehanna Western. Approximately 490,000 tons of ore was processed. Exxon purchased the facility but never operated the mill. The mill was decommissioned and disposed of in the tailings impoundment in 1980. Reclamation of the tailings impoundment (approximately 47 acres) was performed in the 1987. An as-built report detailing the surface reclamation was submitted in November, 1987. The tailings reclamation was approved by the State agencies.

After surface reclamation was completed, additional contaminated soils were found in the mill area and around the tailings impoundment. Additional soil cleanup occurred in 1995. This material was disposed of in a trench adjacent to the tailings impoundment. In 2004 additional contaminated soil and material was found. This material was excavated and disposed of in a disposal cell located immediately north east of the tailings impoundment in 2006. The location of the tailings impoundment, disposal trench and the disposal cell are shown on Figure 2.

There is a small amount of contaminated material on the neighboring property immediately west of the tailings impoundment. Negotiations are continuing so access can be obtained to remove this small amount of material. The material will be disposed of in a "pocket" adjacent to the disposal cell. It is anticipated that this will be completed in the next few months.

Groundwater monitoring has being conducted for more than 20 years at the site. The site is underlain by approximately 500 feet of the Catahoula Formation. This formation is comprised of tuffaceous and bentonitic clays. It has been determined that this formation will preclude any seepage from the tailings impoundment from reaching the underlying Jackson formation which is the uppermost aquifer at the site. Because of this, traditional groundwater monitoring at the site is not applicable. The monitoring that has occurred has been in the upper 50 feet of the Catahoula clay. A small amount of seepage from the tailings impoundment is evident in some of the wells close to the tailings impoundment. It is thought that this seepage is restricted to localized "weathered zone" in the upper portion of the formation. The extent of this localized seepage has been delineated to the north, east and south of the impoundment. Additional wells will be drilled to delineate the extent of the localized seepage to the west once access of the neighboring property is obtained. Once the extent of the current and future localized seepage is determined, the long-term care boundary can be finalized.

License Termination Process

It is anticipated that all of the work on site, including fencing and placement of monuments, will be completed by the end of 2006. The title work for the property to be transferred to the DOE has begun. Performance monitoring of the disposal cell and additional monitoring of the wells is anticipated to be completed by the end of 2007. There are no other license activities that are required at the site.

Given this schedule, we would like to discuss the process of license termination and site transfer. We would therefore propose to have a meeting with the TDSHS, NRC and DOE. The purpose of the meeting would be to introduce all of the stakeholders and to develop a comprehensive list of the remaining issues and schedule for license termination.

We would propose that the meeting be held in Austin, Texas at the TDHSH offices. We would like to try to schedule to meeting for early to mid September (week of September 11 or 18, 2006.

Please let me know your availability and willingness to participate in the meeting. I can be reached at (703) 846-3272 or by email: Dan.E.Burnham@ExxonMobil.com.

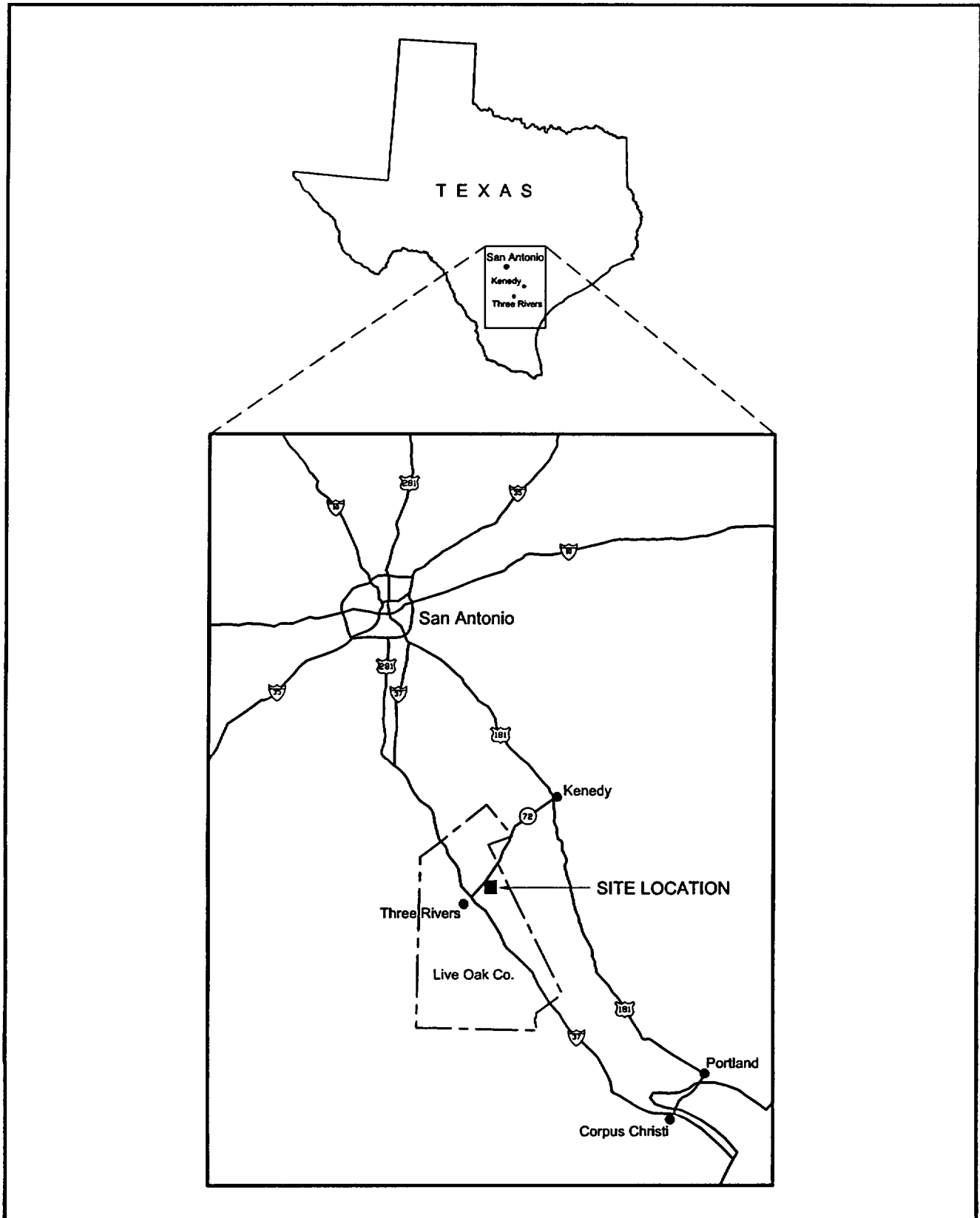
Sincerely,

A handwritten signature in black ink, appearing to read "Dan E. Burnham", with a stylized flourish at the end.

Dan E. Burnham
Project Manager

Attachments

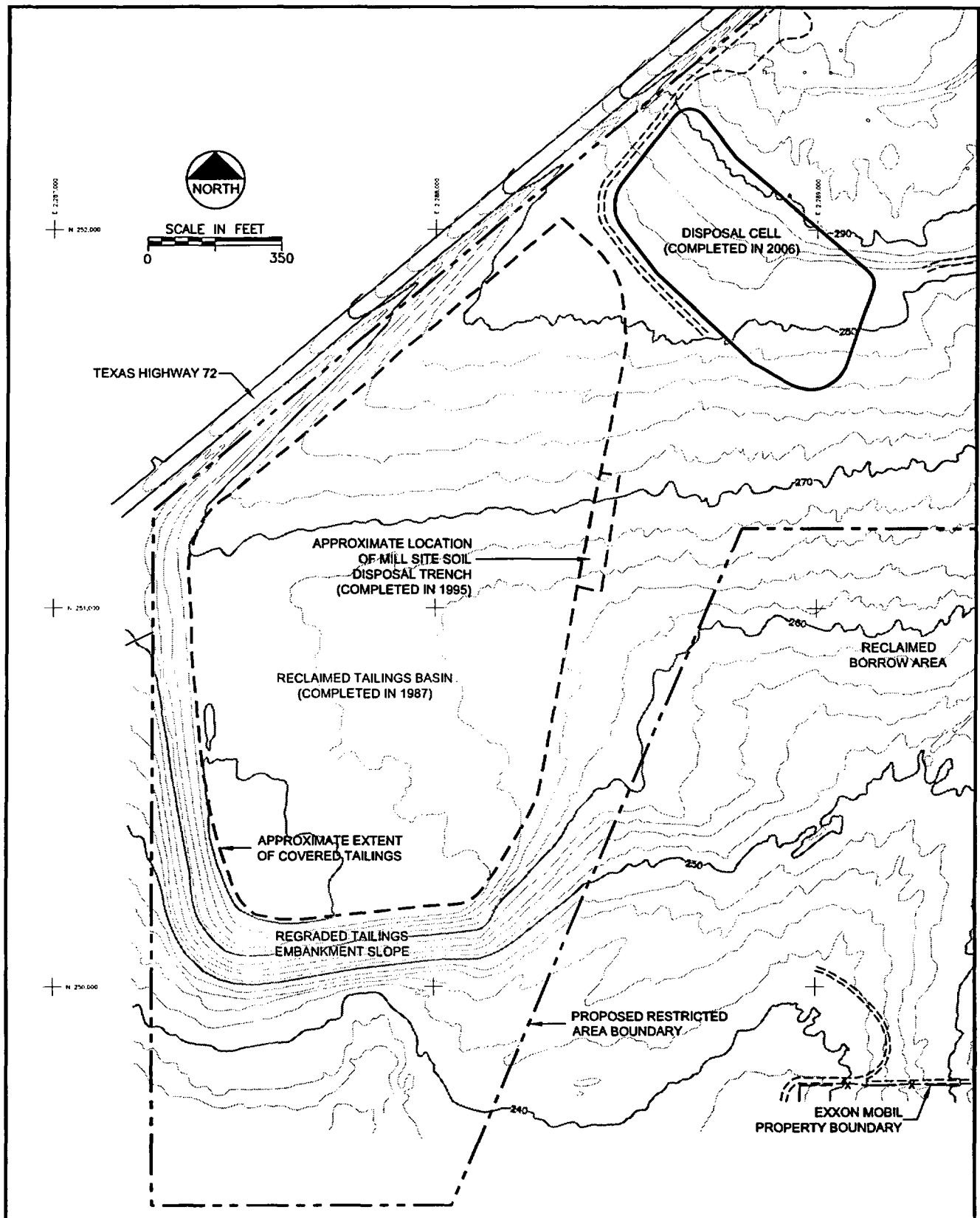
cc: Lou Miller – MFG, Inc.
Dave Roberson, de maximis, inc.
Mike Purvis, BBL, Inc.



MFG, Inc.
consulting scientists and engineers

FIGURE 1
SITE LOCATION

Date:	JULY 2006
Project:	180677
File:	SITELOC-2.DWG



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FIGURE 2
SITE FEATURES

Date: JULY 2006

Project: 180676

File: CELL-AREA.dwg