

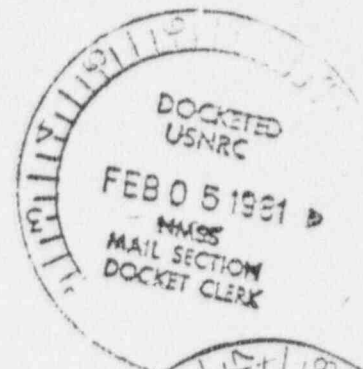
PDR

70-1257

EXXON NUCLEAR COMPANY, Inc.
RESEARCH AND TECHNOLOGY CENTER
2955 George Washington Way, Richland, Washington 99352
PHONE: (509) 375-7100

January 29, 1981

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Mr. R. L. Cunningham, Director
Division of Fuel Cycle and Material Safety
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Reference: License SNM-1227
Docket No. 70-1257



Dear Mr. Cunningham:

This is to inform you that Exxon Nuclear has completed efforts to reduce the plutonium inventory held under License SNM-1227 to less than 500 grams. The residual material is in the form of standards and contaminated equipment and materials.

Although license SNM-1227 authorizes possession of up to 100 kg of plutonium, the quantity of material actually in possession is understood to be the basis for determining the level of protection required by 10 CFR 73. Consequently, reduction of the inventory to less than 500 grams of plutonium is believed to obviate compliance with portions of 10 CFR 73 that deal with the protection of strategic special nuclear material. Physical protection of the remaining plutonium inventory is provided in accordance with an approved security plan for material of low strategic significance which meets the requirements of 10 CFR 73.67. Consequently, references in the pending Exxon Nuclear license renewal application (XN-2) to security plans related to the protection of strategic special nuclear material are no longer valid. If a need exists in the future to increase our plutonium possession above 500 grams prior licensing documentation, including a revised physical protection plan, will be submitted for review and approval.

A minor administrative amendment of XN-2 is needed as a result of the inventory reduction to delete reference to the physical protection plan for strategic special nuclear material. That change will be incorporated in the normal course of updating the document.

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AN AFFILIATE OF EXXON CORPORATION

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POOR QUALITY PAGES

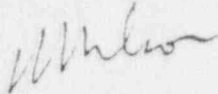
Mr. R. E. Cunningham

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January 29, 1981

If you have any questions with respect to the above, or if additional information is needed, please contact me on (509) 375-7286 or L. E. Hansen on (509) 375-7288.

Sincerely,



R. Nilson, Manager
Corporate Licensing and Compliance

RN:LEH:slr

cc: R. G. Page
H. E. Book/W. J. Cooley