

DNL:DFH
40-6659
SUA-551

SEP 19 1967

Petrotonics Company
P. O. Drawer 2450
Casper, Wyoming 82601

Attention: Mr. G. K. Coates
Project Manager

Gentlemen:

This refers to your letter dated August 8, 1967, concerning the merger being considered between two of the four partners of Petrotonics Company.

Our records indicate that prior to the proposed merger fifty percent of the partnership was owned by the Kerr-McKee Corporation and that the remaining ownership was equally divided among Tidewater Oil Company, Skelly Oil Company and Getty Oil Company. Under the proposed merger Tidewater Oil Company and Getty Oil Company would merge with Getty Oil Company, the surviving corporation, owning thirty-three percent of the partnership. We have determined that in this particular case the proposed merger would not constitute a license transfer, assignment or disposal, etc., as defined by Section 40.46 of 10 CFR 40 (copy enclosed) and that an amendment to License No. SUA-551 to reflect the proposed merger is not required.

With regard to your question concerning AEC licensing requirements relative to the construction of a new mill, it would be necessary for an application to be filed for a new license. An application for such a license should be filed in accordance with Section 40.31 of 10 CFR 40 using the enclosed Form AEC-2. In lieu of Items 9 thru 14 of Form AEC-2, the information outlined in the enclosed supplement sheet should be provided.

Regarding licensing requirements relative to an expansion of your present mill, an amendment to your present license would be required. An application for such an amendment should also be filed using Form AEC-2 in

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conformance with Section 40.44 of 10 CFR 40. The application should provide a description of the proposed process changes including (1) ventilation modifications (2) radiation safety revisions and (3) the adequacy of your waste disposal system to accommodate the proposed expansion.

Very truly yours,

Donald A. Nussbaumer, Chief
Source & Special Nuclear Materials
Branch
Division of Materials Licensing

Enclosures:

1. 10 CFR 40
2. Form AEC-2
3. Supplemental Sheet

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H. Shupar, EGC

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