

July 1, 1985

Mr. Nunzio Palladino, Chairman
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

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Dear Chairman Palladino:

AMAX Coal Company is a division of AMAX Inc., a natural resource, minerals and energy development company with world-wide operations. The company explores for, refines and sells a wide variety of minerals, metals and fuels. Upon behalf of AMAX Inc., AMAX Coal Company (hereafter, AMAX) submits the following initial response to the Nuclear Regulatory Commission (NRC) request for comments on its proposed requirements for well-logging operations (50 Fed. Reg. 13797 - 13810, April 8, 1985). Dr. Anthony Tse has indicated that comments received through July 31, 1985, will be considered during the rulemaking. Therefore, AMAX will submit more detailed, substantive comments later this month.

REQUEST FOR EXTENSION OF COMMENT PERIOD

AMAX urges the NRC to exempt the mineral industry from the present rulemaking and to conduct a separate rulemaking tailored to the aspects of well-logging unique to the mineral industry. The proposed rule fails to acknowledge that there are substantial differences between oil and gas logging and coal logging practices. Good drilling and completion practices exist that are sound alternatives to the proposed inflexible design criteria.

AMAX requests an opportunity to discuss these alternatives and the unique aspects of mineral drilling and logging with the NRC. At the very least, the NRC should officially extend the comment period until August 31, 1985, for the following reasons:

- (1) Despite its status as an NRC licensee, AMAX did not receive the customary notification of proposed revisions from the NRC;
- (2) Dr. Anthony Tse has acknowledged that due to a computer error, many mineral operators and mineral loggers did not receive appropriate notification; and
- (3) The coal mining industry was not represented in the Conference of Radiation Control Program task force which developed the model regulations and upon which the NRC is apparently basing the proposed regulations.

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The proposal did not come to AMAX's attention until June 22, 1985, and the comment period closes July 8, 1985. Therefore, AMAX has not had sufficient time to analyze the proposal and prepare substantive comments. Because of the importance of the proposal, AMAX urges the NRC to allow adequate opportunity for the mineral industry to respond.

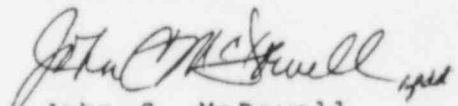
PRELIMINARY COMMENTS

As drafted, the proposal would negate most of the technological advances made in coal well-logging over the last twenty-five years. The surface casing required in Section 39.51 would seriously diminish effective collection of the density, resistivity and natural gamma ray information that is necessary for coal exploration and recovery. As a consequence, operators would be forced to use a higher energy source to recover the lost sensitivity. Even with a higher energy source, valuable information would be lost. The use of higher energy sources increases the risk of potential environmental harm and is contrary to the NRC's stated goal of minimizing the risk. The coal mining industry would suffer not only a technological setback, but incur unbearable compliance costs.

Upon complete analysis, AMAX will submit more detailed comments including the cost implications and practical effect of the proposed requirements. Again, we would appreciate the opportunity to meet with the NRC to discuss our concerns.

Thank you for your consideration of AMAX's response.

Sincerely,



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