

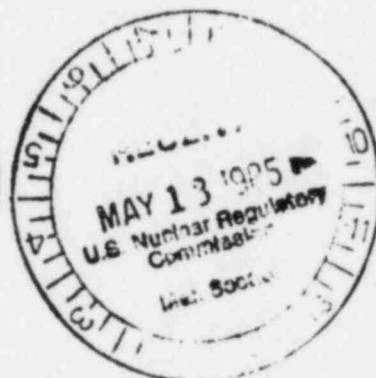
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Umetco Minerals CorporationP.O. BOX 1029 • GRAND JUNCTION, COLORADO 81502
☎ (303) 245-3700

RETURN TO URFO - DENVER, PDR

May 10, 1985

Certified Mail
Return Receipt Requested
#P-201-462-520Mr. R. Dale Smith, Director
Uranium Recovery Field Office
Region IV
U.S. Nuclear Regulatory Commission
P.O. Box 25325
Denver, CO 80225Re: Source Material License No. SUA-1358,
Amendment 28,
Umetco Minerals Corporation,
White Mesa, Utah, Mill

Dear Mr. Smith:

By letter dated April 24, 1985, the Nuclear Regulatory Commission (NRC) gave notice of Amendment No. 28 to the source material license for our uranium mill facility at White Mesa, Utah. Under this amendment, a new license condition is added requiring a groundwater detection monitoring program to ensure compliance with 40 C.F.R. 192.32(a)(2).

For reasons summarized below, the notice of April 24, 1985 issued by your office is inconsistent with substantive and procedural requirements of applicable NRC regulations, and is inconsistent with the requirement of the Atomic Energy Act, as amended by the Uranium Mill Tailings Radiation Control Act (UMTRCA). Therefore, pursuant to 10 C.F.R. 2.204, we request a hearing on the referenced amendment to our license.

First, the amendment is inconsistent with NRC's regulatory requirements of 10 C.F.R. Part 40, Appendix A. NRC has not altered or amended Part 40; therefore, the requirements of Part 40 remain the applicable regulations governing all licensing activities. Until adopted by NRC through appropriate rulemaking proceedings, EPA's standards, including 40 C.F.R. 192.32(a)(2), may not be applied to licensees.

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DESIGNATED ORIGINAL

Certified By Mary C. Hood

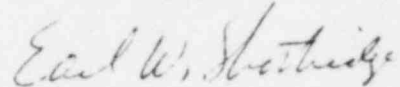
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Second, EPA standards, including 40 C.F.R. 192.32(a)(2), are null and void because they are beyond jurisdiction of that agency. Therefore, NRC cannot adopt EPA requirements since to do so would be inconsistent with congressional intent in UMTRCA.

Third, your letter of April 24, 1985 fails to comply with the necessary procedural requirements of 10 C.F.R. 2.204, in that it fails to provide "notice to the licensee that he may demand a hearing with respect to all or any part of the amendment within twenty (20) days from the date of the notice..."

Very truly yours,



E. W. Shortridge
Operations Manager-Uranium

RGB/EWS/lrs
0235F