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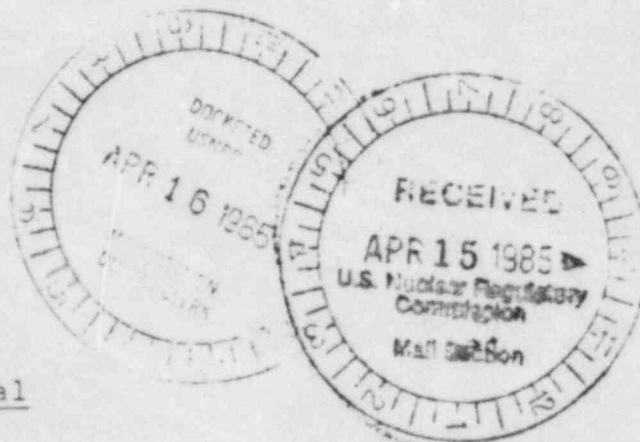
energy fuels nuclear, inc.

executive offices • suite 900 • three • ark central • 1515 arapahoe • denver, colorado 80202 • (303) 623-8317

RETURN TO ~~██████████~~, PER

April 12, 1985

Mr. R. Dale Smith, Director
 Uranium Recovery Field Office
 Region IV
 P. O. Box 25325
 Denver, CO 80225

Re: White Mesa Mill License Renewal

Dear Mr. Smith:

On April 3, 1985, I attended a meeting between representatives of the United States Nuclear Regulatory Commission ("NRC"), UMETCO Minerals Corporation ("UMETCO") and Energy Fuels Nuclear, Inc. ("EFN") at your Lakewood office, during which time the status and progress of the White Mesa Mill License Renewal was discussed. Specifically, Mr. Hawkins and Mr. Hildenbrand from the NRC, Mr. Sparling and Mr. Schierman from UMETCO, and Mr. Roberts and I from EFN were in attendance.

To be candid, I came away from the meeting very concerned about the seemingly low priority being given by the NRC staff to the License Renewal and the disturbing lack of progress made thus far by the NRC toward approval. It would seem to me that with the current depressed state of the uranium mining and milling industry, a great deal more attention could and should be given by the NRC to the only uranium mill in the United States that is planning to reactivate during 1985. As you know, the present License does not authorize actual operation of the Mill, and therefore, approval of the License Renewal is necessary before the Mill can start-up and begin the processing of ore.

As you also know, current plans contemplate that ore processing will recommence on or before October 1, 1985. However, the needs of EFN for U_3O_8 could cause this start-up date to be moved up to as early as August 1, 1985. The current NRC License Renewal schedule shows a completion date of August 30, 1985. Even with the October, 1985 start-up date, this schedule does not provide a sufficient margin of safety for any unforeseen delays.

It is extremely important to EFN that the License Renewal be completed, and that the Mill be entitled to begin processing ore, at least by October 1, 1985, and earlier if possible, so that EFN is assured it can meet its existing obligations to deliver U_3O_8 . In this regard, in light of the fact that the NRC has known since

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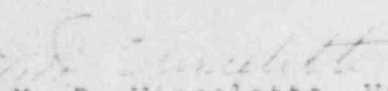
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Mr. R. Dale Smith, Director
Uranium Recovery Field Office
April 12, 1985
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October of 1984 of the intention of UMETCO and EFN to restart the Mill in August of 1985, I am deeply concerned with the seeming lack of progress made by your office toward approval of the License. Notwithstanding that all technical information required was received by the NRC from UMETCO in January of 1985, and the previous assurance given to both EFN and UMETCO by your staff as early as October of 1984 that the License Renewal could be accomplished by August of 1985, I am concerned that the current review schedule will not be adequate to ensure approval by August or September.

Any assistance and attention you or your staff can give to this important License Renewal Application to compress the schedule of review will be greatly appreciated. In this regard, please do not hesitate to contact Mr. E. W. Shortridge, Operations Manager of UMETCO, or myself if we can supply you with any additional information. In addition, if you would like to discuss this letter further, I would welcome the opportunity to speak with you.

Very truly yours,


M. D. Vincelette, Vice President, Uranium
and Mineral Operations

MDV/ca

cc: Mr. E. W. Shortridge, Operations Manager-Uranium
UMETCO Minerals Corporation
P. O. Box 1029
Grand Junction, CO 81502

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Metals Division
Old Ridgebury Road
Danbury, Connecticut 06817
Attn: Vice President, Uranium