

Mobil Mining and Minerals Company

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October 16, 1986

Mr. Gary R. Konwinski
U. S. Nuclear Regulatory Commission - Region IV
P. O. Box 25325
Denver, CO 80225

Dear Mr. Konwinski:



Re: Radioactive Materials License
No. NM-MOB2-UL-00
Monument Project
McKinley County, New Mexico

This letter confirms our telephone conversation of this date concerning a request for a one year extension of the referenced Radioactive Materials License (RML) for Mobil's Monument Project, McKinley County, New Mexico. The Monument RML was issued by the New Mexico Environmental Improvement Division in October 1981 and is scheduled to expire on October 31, 1986.

Mobil acquired all necessary federal, state and local permits, licenses and approvals to construct and operate an uranium in situ mining facility on the Company's Monument properties. A 75 gallon per minute pilot plant was constructed on site together with the drilling and installation of a well field capable of supporting the plant. The required monitor wells and lined settling pond were also installed.

The significant economic decline in the uranium industry starting in 1981 and continuing today, makes it infeasible to operate a commercial plant. Therefore, operation of the Monument facility was never initiated. Mobil is continuing to develop near and long range objectives for our New Mexico properties and it remains uncertain when start up of a commercial venture will become feasible.

We propose to extend the expiration date of RML NM-MOB2-UL-00 to October 31, 1987, in order to more fully evaluate our future plans. No modification to technical and/or company process information contained in the existing license is proposed for this extension.

Your assistance in this matter is greatly appreciated. If you have any questions regarding this request, please contact me at (804)798-2411, Richmond, Virginia.

Sincerely yours,

G. L. Higgins, Jr.
Manager, Hydrological and
Environmental Affairs

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c: D. D. Fort - NMEID
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