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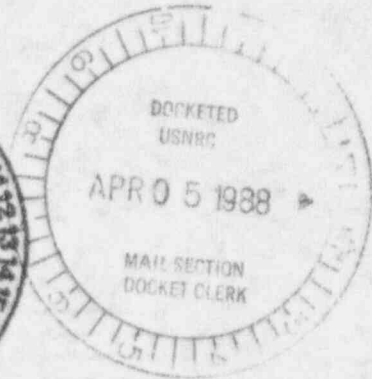
40-8913

Department of Energy
Albuquerque Operations Office
P.O. Box 5400
Albuquerque, New Mexico 87115

UMT/NRC/0488-38

APR 5 1988

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



Dear Mr. Smith:

Please reference our letter to you dated January 22, 1988, concerning the termination of United Nuclear Corporation's (UNC) License No. SUA-1481 at the Ambrosia Lake, New Mexico mill site.

We have enclosed the following documentation for your information and use:

- o Conveyance document (Warranty Deed) from UNC to the State of New Mexico along with appropriate title insurance.
- o MK-Ferguson (MK-F)/UNC agreement.
- o Removal of ion exchange (IX) materials report (MK-F letter to DOE dated March 30, 1988).

This correspondence is to inform the Nuclear Regulatory Commission (NRC) that the State of New Mexico recorded the enclosed warranty deed on April 4, 1988, thereby accepting title to the Ambrosia Lake mill site from UNC.

UNC has removed other materials from the site as agreed in the MK-F/UNC agreement (see removal of IX materials report). The materials removed by UNC are the same materials UNC proposed to remove in their letter dated March 6, 1987, submitted to the State of New Mexico.

Therefore, we request the NRC to terminate UNC's License No. SUA-1481 in its entirety, and to transfer full responsibility of the remaining by-product material covered under SUA-1481 to the DOE as provided in 10 CFR 40.51.

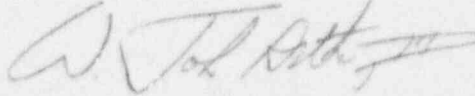
Add Info
88-0676

Dale Smith

- 2 -

If you have any questions, please contact Michael Abrams of my staff at (505) 844-3941.

Sincerely,



W. John Arthur, III
Project Manager
Uranium Mill Tailings Project Office

Enclosures

cc w/enclosures:

N. Weber, State of New Mexico, EID

J. Velasquez, UNC

G. Nelson, State of New Mexico, OGC

W. Maez, OCC

J. Oldham, MK-F

COPY

WARRANTY DEED

This Warranty Deed is granted by United Nuclear Corporation, a Delaware corporation, P.O. Drawer QQ, Gallup, New Mexico 87301 (hereinafter called "United Nuclear Corporation" or "UNC") to the Property Control Division of the General Services Department of the State of New Mexico this 25th day of March 1988, and the State hereby accepts the same.

WHEREAS the Uranium Mill Tailings Radiation Control Act of 1978, Public Law 95-604 (hereinafter called the "Act") authorizes the Secretary of the United States Department of Energy (hereinafter called the "Secretary" and "DOE", respectively) to enter into agreements with affected states to perform cooperatively and share the costs of remedial action at designated processing sites (as that term is defined at 42 U.S.C. sec. 7911(6)), including the Ambrosia Lake, New Mexico, inactive uranium mill and mill tailings site (hereinafter called the "Ambrosia Site");

WHEREAS pursuant to Title I of the Act, the United States of America, represented by DOE, and the State of New Mexico (hereinafter called the "State of New Mexico" or "State") have entered into a cooperative agreement (hereinafter called the "Cooperative Agreement") in order to implement a jointly-conducted program of assessment and remedial action at the Ambrosia Site together with certain real property contiguous to the Ambrosia Site which has been designated by DOE as a Vicinity Property;

WHEREAS UNC owns certain rights in connection with the surface of the Ambrosia Site; and

WHEREAS DOE and the State have determined that it is appropriate to acquire certain surface rights held by UNC in connection with the Ambrosia Site in order to carry out the purposes of the Act and the Cooperative Agreement;

NOW, THEREFORE:

United Nuclear Corporation, for itself, its successors and assigns, for consideration paid, grants to the Property Control Division of the General Services Department of the State of New Mexico, and the State hereby accepts, the following described real property in McKinley County, New Mexico:

The surface estate only of that certain tract of land lying and being situate within Section 28, T. 14 N., R. 9 W., N.M.P.M., being more particularly described as follows, to wit:

Beginning at a point for the southwest corner of said tract or parcel of land, said same point being the section corner common to Sections 28, 29, 32 & 33, T. 14 N., R. 9 W., N.M.P.M., set by Albuquerque Engineering and marked by a brass cap monument; thence N. 00°19'29" E. along the westerly line of said tract or parcel of land and the section lines common to Sections 28 & 29, T. 14 N., R. 9 W., N.M.P.M., a distance of 2,955.39 feet to a point for the northwest corner; thence S. 90°00'00" E. along the northerly line of said tract or parcel of land, a distance of 4,183.37

feet to a point for the northeast corner of said tract; thence S. $00^{\circ}46'00''$ W. along the easterly line of said tract or parcel of land, a distance of 2,940.86 feet to a point for the southeast corner of said tract; thence S. $89^{\circ}47'49''$ W. along the southerly line of said tract or parcel of land and the section line common to Sections 28 & 33, T. 14 N., R. 9 W., N.M.P.M., a distance of 4,160.80 feet to a brass cap for the section corner, said same point being the true point and place of beginning, containing 282.345 acres more or less,

shown as Tract "A" in the survey of Martinez/Naylor & Associates dated February 24, 1988, attached hereto as Exhibit A and incorporated herein by reference (hereinafter called the "Martinez/Naylor Survey"), including, but not limited to, (i) the processing site (as that term is defined at 42 U.S.C. sec. 7911(6)) that was designated by the Secretary pursuant to 42 U.S.C. sec. 7912, (ii) the uranium mill and related facility located thereon, (iii) the uranium mill tailings located thereon, and (iv) all residual radioactive material (as that term is defined at 42 U.S.C. sec. 7911(7)) located thereon, to the extent all or a portion of said processing site, uranium mill and related facility, uranium mill tailings, and residual radioactive material are located within the above-described real property and Tract "A" of the Martinez/Naylor Survey, (hereinafter called the "Real Property") with warranty covenants, and with the following exceptions and reservations:

(a) UNC does not grant, but reserves, any and all interests of any nature whatsoever in and to the minerals, of any nature whatsoever, in or under the Real Property, whether said minerals are owned and held by UNC or others or by reservation, location, patent, lease, or otherwise, together with the right to use the Real Property for all purposes reasonably necessary or appropriate for the exercise of any mineral interest reserved hereunder, including, but not limited to, the right to go on the Real Property to explore for or extract minerals, PROVIDED, however, that this reservation of mineral interests does not reserve or apply to any uranium mill tailings or minerals contained in uranium mill tailings located on the Real Property;

(b) UNC does not grant, but reserves, all water rights of every kind and character, including the right to divert and use water, whether underground or surface, appurtenant to, related to, diverted from, or connected with the Real Property, the mill thereon and related facilities, or mines on or under the Real Property, including but not limited to:

(i) The water rights reflected by that certain Declaration of Owner of Underground Water Right dated March 5, 1958, by Phillips Petroleum Company (hereinafter called

"Phillips"), UNC having succeeded to such rights; and

(ii) All rights established or derived from mining, milling or the use of mine water or mill process water;

together with the right to use the Real Property for the diversion of such water, including, but not limited to, wells and reasonable access thereto, and use of the power transmittal lines for a power source for wells; and

(c) UNC does not grant, but reserves, the right of UNC and Quivira Mining Company, their successors and assigns, and the rights, if any, of any other person or entity to use the road running in an east-west direction near the southern boundary of the Real Property, as located on the Martinez/Naylor Survey;

and subject to the following possible, claimed or actual rights, easements, interests, rights-of-way, reservations, restrictions, grants, agreements, and assignments:

1. All reservations contained in the United States Patent to Section 28, T. 14 N., R. 9 W., N.M.P.M., of which the Real Property is a portion, recorded in Book 11 at page 514 of Deeds in the records of the County Clerk of McKinley County, including, but not limited to, the following:

a. A reservation for any vested and accrued water rights for mining, agricultural, manufacturing or

other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws, and decisions of courts;

b. A reservation for a right-of-way for ditches or canals constructed by authority of the United States;

c. A reservation to the United States of coal and other minerals on the Real Property, together with the right to use the surface of the Real Property to prospect for, mine and remove coal and other minerals pursuant to the Stockraising Homestead Act of December 29, 1916, 43 U.S.C. secs. 161, 162, 173 (1982);

2. Any right to use so much of the surface of the Real Property as is required for mining operations without compensation for damages resulting from mining operations, pursuant to sec. 29 of the Mineral Leasing Act of February 25, 1920, 30 U.S.C. secs. 181-287 (1976);

3. Any right to repurchase the Real Property pursuant to that certain agreement dated November 7, 1956, between Adrian and Gladdus Berryhill (hereinafter called, collectively, the "Berryhills"), Ranchers Exploration and Development Corporation (hereinafter called "Ranchers"), and Phillips, recorded in Book 29 at pages 7-17 of the Miscellaneous records of the County Clerk of McKinley County;

4. Any right of Ranchers, Hecla Mining Company or their successors or assigns, or anyone claiming by or through either of them, to surface damages caused by exploratory development and mining activities on the Real Property, including, but not limited to, the rights, if any, derived under any or all of the following documents: that certain assignment dated on or about April 11, 1955, by the Berryhills to Ranchers, its successors and assigns, of all sums owed and claims arising out of any loss, injury or damage related to exploratory or mining operations on the ranch owned by the Berryhills in McKinley and Valencia Counties, New Mexico, recorded in Book 9 at pages 427-428 of Leases in the records of the County Clerk of McKinley County; that certain agreement dated September 28, 1956, between Phillips, the Berryhills and Ranchers, recorded in Book 28 at pages 241-244 of the Miscellaneous records of the County Clerk of McKinley County; said agreement dated November 7, 1956, between the Berryhills, Ranchers and Phillips, recorded in Book 29 at pages 7-17 of the Miscellaneous records of the County Clerk of McKinley County; that certain agreement dated January 5, 1957, between Ranchers, Phillips and the Berryhills, recorded in Book 29 at pages 25-28 and rerecorded in Book 29 at pages 150-153 of the Miscellaneous records of the County Clerk of McKinley County; that certain agreement dated June 12, 1957,

between Ranchers and the Berryhills, recorded in Book 31 at pages 366-376 of the Miscellaneous records of the County Clerk of McKinley County; and that certain mining lease and agreement dated April 1, 1979, between Ranchers and UNC, recorded in Book 52 at pages 481-499 of Leases in the records of the County Clerk of McKinley County;

5. That certain right of ingress and egress dated June 9, 1955, granted by the Berryhills to Ranchers, recorded in Book 24 at page 316 of the Miscellaneous records of the County Clerk of McKinley County;

6. That certain easement dated July 10, 1967, granted by UNC to Kerr-McGee Corporation for the construction and maintenance of a power transmission and communications line, recorded in Book 58 at pages 385-387 of the Miscellaneous records of the County Clerk of McKinley County; and that certain assignment dated December 31, 1973, by Kerr-McGee Corporation (as successor by merger to Kermac Nuclear Fuels Corp.) to Kerr-McGee Nuclear Corporation, recorded in Book 65 at pages 883-885 of the Miscellaneous records of the County Clerk of McKinley County;

7. That certain easement for a natural gas pipeline dated December 16, 1958, granted by Phillips to Kermac Nuclear Fuels Corp., recorded in Book 15 at

pages 39-40 of Deeds in the records of the County Clerk of McKinley County;

8. That certain easement for telephone lines and equipment dated September 25, 1957, granted by Phillips to the Mountain States Telephone and Telegraph Company;

9. That certain right-of-way and easement for pipelines, dated October 10, 1969, by Adrian Berryhill to Southern Union Gas Company, recorded in Book 61 at pages 319-320 of the Miscellaneous records of the County Clerk of McKinley County, and that certain assignment dated January 28, 1985, by Southern Union Gas Company to Public Service Company of New Mexico, recorded in Book 86 at pages 880-887 of the Miscellaneous records of the County Clerk of McKinley County;

10. All gas pipelines, telephone lines, power lines and other utility lines and associated equipment in place;

11. That certain agreement and assignment relating to subsurface minerals, dated November 19, 1965, between Kerr-McGee Corporation and UNC, recorded in Book 41 at pages 514-543 of Leases in the records of the County Clerk of McKinley County;

12. That certain remedial action agreement or agreements between UNC and DOE, relating to all or part of the Real Property;

13. All zoning restrictions of McKinley County, New Mexico, that apply to the Real Property, together with all other rights, easements, interests, rights-of-way, reservations, restrictions, grants, agreements, and assignments of record;

14. The liens, if any, under section 48-2-1 through 48-2-17, inclusive, N.M.S.A. (1978), or similar liens, of any person or entity who has contracted with either the DOE or a DOE contractor, including, but not limited to, MK-Ferguson Company and its parent, subsidiary or other affiliated corporations, and Martinez/Naylor & Associates;

15. Ad valorem taxes on the Real Property for the years 1987 and 1988, which are not yet due and payable but may constitute a lien on the Real Property; UNC assumes and agrees to pay all such taxes through the date of closing; and

UNC makes no warranties or representations that the Real Property has access to public roads. The State has had the opportunity to fully inspect the condition of the Real Property. UNC is conveying and the State is accepting the Real Property in an "as is" condition to enable the State and DOE to carry out a program of assessment and remedial action on the Real Property, and UNC makes no warranties or representations regarding the condition of the Real Property, the existence or nonexistence of environmental liens, restrictions or liabilities, if any, for remedial measures such as reclamation or cleanup action imposed

by federal or New Mexico environmental statutes, regulations, laws or requirements, or the suitability or fitness of the Real Property for any particular purpose.

Notwithstanding anything herein to the contrary, UNC, for itself, its successors and its assigns, agrees that it shall not exercise any right reserved or excepted herein or hereafter acquired by UNC, including, but not limited to, mineral interests and water rights, in such manner as to interfere with the remedial action to be performed on the Real Property by the State, DOE or their contractors, or as to damage substantially or compromise the stability or integrity of the Real Property after such remedial action has been performed.

The words "warranty covenants" herein shall have the full force, meaning and effect provided in sec. 47-1-37, N.M.S.A. (1978).

In the event DOE refuses to accept conveyance of the Real Property from the State after the State has tendered a deed complying with the Cooperative Agreement and has taken all reasonable steps pursuant to the Cooperative Agreement to require DOE to accept title to the Real Property, then title to the Real Property shall revert to UNC.

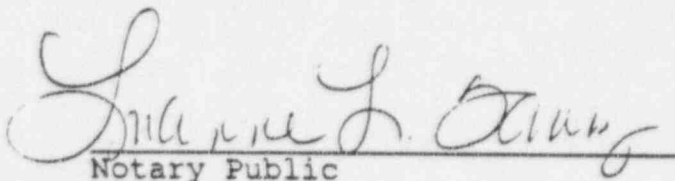
UNITED NUCLEAR CORPORATION

By: 

Juan R. Velasquez
Vice-President and
Manager of Environmental
Affairs

State of New Mexico)
:SS:
County of Santa Fe)

On this 25th day of March 1988, before me appeared Juan R. Velasquez, to me personally known, who, being by me duly sworn did say he is the Vice-President and Manager of Environmental Affairs of United Nuclear Corporation, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said Juan R. Velasquez acknowledged said instrument to be the free act and deed of said corporation.


Notary Public

My commission expires



OFFICIAL SEAL

July 30, 1990
Juan L. Tenes

NOTARY PUBLIC-STATE OF NEW MEXICO

My Commission Expires



TICOR TITLE

Ticor Title Insurance Company

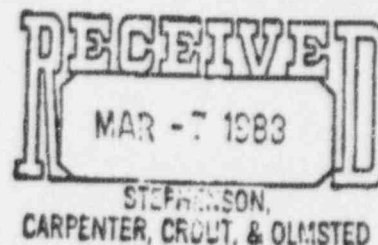
6300 Wilshire Boulevard
P.O. Box 92792
Los Angeles, CA 90009
(213) 852-6000

CAT. NO. NN01098
TO 2952 (8-84)

ENDORSEMENT

ISSUED BY

Ticor Title Insurance Company



Commitment

Attached to and forming a part of ~~Policy~~ of Title Insurance No. 1898

Item number 1(A) under Schedule A of the above mentioned commitment is hereby amended to read as follows:

(a) Proposed Insured: United Nuclear Corporation.

ALSO

Item 1(C) under Schedule B - Requirements of the above mentioned commitment is hereby deleted in its entirety.

Nothing herein contained shall be construed as extending or changing the effective date of said policy, unless otherwise expressly stated.

This endorsement, when countersigned below by a validating signatory, is made a part of said policy and is subject to the Exclusions from Coverage, schedules, conditions and stipulations therein, except as modified by the provisions hereof.

IN WITNESS WHEREOF, the Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers.

Dated: March 4, 1988

TICOR TITLE INSURANCE COMPANY

By

President

Attest

Secretary

Countersigned:

GALLUP TITLE COMPANY

By

Validating Signatory

Philip G. Garcia

bf

ENDO 7 NM 11



Gallup Title Company

ABSTRACTS - ESCROWS - TITLE INSURANCE

CHARLES F. HEADEN
PHILIP G. GARCIA

March 4, 1988

United Nuclear Corp. c/o
Stephenson Law Firm
P.O. Box 669
Santa Fe, New Mexico 87504

Attention: Michael Yesley

RE: The State of New Mexico
Section 28, Township 14 North,
Range 9 West., N.M.P.M.

Dear Mr. Yesley

In connection with the above captioned transaction, we hand here-
with the following:

Commitment for Title Insurance No. 3347 dated March 2, 1988.

Statement in the amount of \$2233.00.

Your business is appreciated. If we can be of further service,
please let us know.

Sincerely yours,

Philip G. Garcia
Philip G. Garcia

PGG/bf
Enclosures

Schedule A

Commitment No. 3347	Effective Date of Commitment: March 2, 1988 at 5:00 p.m.
Your No.: File No. 1898	

Prepared For: United Nuclear Corp.
c/o Stephenson Law Firm
Attention: Michael Yesley
P.O. BOX 669, Santa Fe, NM

Inquiries Should be Directed to:
Philip G. Garcia
GALLUP TITLE COMPANY
P.O. Box 998
Gallup, New Mexico 87301

1. Policy or Policies to be issued:
- | | Amount |
|--|---------------|
| (a) <input checked="" type="checkbox"/> ALTA Owners Policy - Form _____ - 1970 1987 | \$ 350,000.00 |
| Proposed Insured: The State of New Mexico. | |
| (b) <input type="checkbox"/> ALTA Loan Policy 1970 | \$ _____ |
| Proposed Insured: | |

2. The estate or interest in the land described or referred to in this Commitment and covered herein is a Fee Simple.

3. Title to said estate or interest in said land is at the effective date hereof vested in: United Nuclear Corporation,
a Delaware Corporation.

4. The land referred to in this Commitment is located in the County of McKinley
State of New Mexico and described as follows:

See EXHIBIT "A" attached hereto and being apart of this commitment and bearing the
seal of Gallup Title Company.

EXHIBIT "A"

A certain tract or parcel of land lying and being situate in Section 28, T14N, R9W., N.M.P.M., being more particularly described as follows to wit:

BEGINNING at a point for the southwest corner of said tract or parcel of land, said same point being the Section Corner common to Sections 28, 29, 32 and 33, T.14N., R.9W., N.M.P.M., set by Albuquerque Engineering and marked by a brass cap monument;

THENCE N 00°19'29" E., along the westerly line of said tract or parcel of land and the Section lines common to Sections 28 & 29, T.14N., R.9W., N.M.P.M., a distance of 2,955.39 feet to a point for the northwest corner;

THENCE S 90°00'00" E., along the northerly line of said tract or parcel of land, a distance of 4,183.37 feet to a point for the northeast corner of said tract;

THENCE S 00°46'00" W., along the easterly line of said tract or parcel of land, a distance of 2,940.86 feet to a point for the southeast corner of said tract;

THENCE S 89°47'49" W., along the southerly line of said tract or parcel of land and the section line common to Sections 28 & 33, T.14N., R.9W., N.M.P.M., a distance of 4,160.80 feet to a brass cap for the section corner, said same point being the true point and place of Beginning.

Our File No. 1898

Schedule B

I. The following are the requirements to be complied with:

1. Instruments necessary to create the estate or interest to be insured must be properly executed, delivered and duly filed for record.

(a) Payment of the consideration for the estate or interest to be insured.

(b) Resolution of the Board of Directors of United Nuclear Corporation, a Delaware Corporation, authorizing the sale of the proposed insured premises to The State of New Mexico.

(c) A Special Warranty Deed from United Nuclear Corporation, a Delaware Corporation, to The State of New Mexico.

(d) Compliance with the judicial Enforcement Proceedings or Administrative Action pursuant to the Comprehensive Environmental Response Compensation and Liability Act of 1980 (PERCLA-198), affecting the subject property.

II. Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

- (1) Rights or claims of parties in possession not shown by the public records.

GL ~~XXXXX Easements, or claims of easements, not shown by the public records.~~

PL ~~XXXXX Encroachments, overlaps, covenants, or boundary lines, or mortgages in a deed, or other matters which would be disclosed by a careful survey and inspection of the premises.~~

- (4) Any lien, claim or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

- (5) Community property, dower, curtesy, survivorship, or homestead rights, if any, of any spouse of the insured.

- (6) Any titles or rights asserted by anyone including, but not limited to, persons, corporations, governments, or other entities, to lands comprising the shores or bottoms of navigable streams, lakes, or land beyond the line of the harbor or bulkhead lines established or changed by the United States Government.

- (7) Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.

- (8) Taxes or assessments which are not shown as existing liens by the public records.

- (9) Taxes for the year 1987^{2nd half}, and thereafter.

- (10) Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

11) Subject to that certain Right of Way Grant by and between Adrian Berryhill and Southern Union Gas Company, filed for record in the office of the County Clerk of McKinley County on May 25, 1970 in Book 61 at Page 319.

12) Subject to that certain Easement by and between United Nuclear Corporation and Kerr-McGee Corporation, filed for record in the office of the County Clerk of McKinley County, New Mexico in Book 58 at Pages 385-387.

Continued on next page

Schedule B — (Continued)

COMMITMENT NO.

3347 Our File No.1898

EXCEPTIONS

13) Subject to the terms and conditions of that certain proposed Special Warranty Deed from United Nuclear Corporation to The State of New Mexico.

14) In addition to those exclusions from coverage of this policy, exception is hereby made to any notices, claims or liens for amounts owing or to be owed under any of the provisions of 42USC sections 9601-9675, as same may be amended provided a notice of claim has been filed on or prior to the date of this policy in the Federal District Court Clerk's Office, and has not been filed on or prior to the date of this policy in the local County Clerk's Office of McKinley County, New Mexico.

General Exceptions 1, 2, 3 and/or 4 may be deleted from any policy upon compliance with all provisions of the applicable regulations, upon payment of all additional premiums required by the applicable regulations, upon receipt of the required documents and upon compliance with the Company's underwriting standards for each such deletion. General Exception 5 may be deleted from the policy if the named insured in the case of an Owner's Policy, or the vestee, in the case of a Loan Policy, is a corporation, a partnership, or other artificial entity, or a person holding title as trustee.



Commitment for Title Insurance

TICOR TITLE INSURANCE COMPANY, (a stock company), a California corporation, herein called the Company, for a valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor, all subject to the provisions of Schedules A and B and to the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of this Commitment or by subsequent endorsement.

This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate one hundred eighty (180) days after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company.

This Commitment shall not be valid or binding until countersigned below by a validating member of the Company.



TICOR TITLE INSURANCE COMPANY

By Gerald L. Garcia President

Attest Erich E. Eversbach Secretary

Dated: March 4, 1988

Countersigned: Philip G. Garcia

By Philip G. Garcia
Philip G. Garcia
bf n f Validating Signatory

AGREEMENT

MK-FERUSON COMPANY/UNITED NUCLEAR CORPORATION

Byproduct Material/Construction Water

AGREEMENT

K-PERUSSON COMPANY/UNITED NUCLEAR CORPORATION

Byproduct Material/Construction Water

AGREEMENT

THIS AGREEMENT, entered into between MK-FERGUSON COMPANY, (MK-Ferguson) and UNITED NUCLEAR CORPORATION, ("UNC").

WITNESSETH THAT:

WHEREAS, pursuant to Title I of the Uranium Mill Tailings Radiation Control Act of 1978 (UMTRCA), Public Law 95-604, the United States Department of Energy (DOE), is conducting a program of assessment and remedial action at that certain DOE designated processing site in Ambrosia Lake, New Mexico, (Ambrosia Site), together with certain real property contiguous to the Ambrosia Site which has been designated by DOE as a vicinity property; and

WHEREAS, MK-Ferguson is conducting certain remedial action activities as a contractor for DOE at the Ambrosia Site and vicinity property and requires construction water for such activities; and

WHEREAS, UNC owns and controls a certain well and water rights within Section 28, Township 14 North, Range 9 West, N.M.P.M., McKinley County, New Mexico; and

WHEREAS, UNC desires the removal and disposal of certain byproduct material, described below and covered by U.S. Nuclear Regulatory Commission (NRC) license number SUA-1481 (formerly SUA-1082); and

WHEREAS, UNC is willing to permit MK-Ferguson to obtain water for remedial action from the well owned by UNC in exchange for the removal and disposal of the byproduct material by MK-Ferguson; and

WHEREAS DOE will assume full responsibility for the byproduct material covered by license number SUA-1481 (formerly SUA-1082);

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. Subject to the terms and conditions hereinbelow set forth, UNC shall permit MK-Ferguson to access UNC's well and extract the water required for the remedial action at the Ambrosia Site and vicinity property, and MK-Ferguson, in conjunction and concurrent with the remedial actions required under the provisions of Title I to the UMTRCA and MK-Ferguson's contract with the DOE (Contract No. DE-AC04-83AL18796), shall engage a subcontractor to remove and dispose, at no cost to UNC, of solely the byproduct material that is covered by NRC license number SUA-1481, (formerly SUA-1082), including soils in areas adjacent to licensed activities, associated equipment of the Ion Exchange (IX) circuit, the heap leach pad, the pipeline connecting the heap leach and

IX circuit, and approximately 14,000 gallons of sodium chloride stripping solution, all as more fully described in the NRC license number SUA-1481 (formerly SUA-1082) with attachments (Exhibit 1 hereto), but excluding the material which UNC has proposed to remove from the Ambrosia Site and described in a letter dated March 6, 1987, to the State of New Mexico (Exhibit 2 hereto). UNC shall remove the excluded material as proposed upon acquisition of the Ambrosia Site by the State of New Mexico. If requested by UNC, MK-Ferguson will provide to UNC, through the DOE, appropriate verification documentation regarding the remedial action disposition of the byproduct material.

2. This Agreement does not obligate or cause MK-Ferguson to assume title to or possession of any of the byproduct material described herein. Responsibility for such byproduct material shall transfer from UNC to the DOE as provided in the DOE letter to Dale Smith, Director, Uranium Recovery Field Office, Region IV, NRC dated January 22, 1988. A copy of the DOE letter is attached hereto as Exhibit 3.
3. The source of water shall be UNC's well located in the southeast quarter of Section 28, Township 14 North, Range 9 West, N.M.P.M., McKinley County, New Mexico. UNC shall be responsible to permit extraction of water in the least of the following amounts:
 - (a) the water available as the result of the normal operation of the well; or
 - (b) the water to perform the remedial action at the Ambrosia Site and vicinity property; or
 - (c) 371 acre feet of water per year.

UNC makes no representation as to the quality or quantity of the water to be supplied. Proof of ownership of the well and water rights and documentation of the annual amount of the water rights are attached hereto as Exhibit 4. The water will be taken from time to time over several years for the duration of the remedial action program. MK-Ferguson shall be responsible, at no cost to UNC, to maintain the well in good operating condition and to install, operate and maintain a metering device, a pumping system, and storage facilities of adequate design to supply demand. MK-Ferguson shall maintain records of the volume of water pumped and shall make such records available for UNC's inspection upon written request. Transportation of water from the storage facilities to points of use shall also be MK-Ferguson's responsibility.

4. Title to all personal property brought to the well by MK-Ferguson during the term of this Agreement shall remain with MK-Ferguson, and such title shall not be affected by incorporation or attachment thereof to the well, nor shall such personal property, or any part thereof, become a fixture or lose its identity as personal property by reason of affixation to any realty; PROVIDED that MK-Ferguson reserves the right to abandon such personal property in place with the prior written consent of UNC.
5. MK-Ferguson and UNC shall cooperate to cause to be filed any and all applications for licenses, permits, or certificates necessary or convenient to accomplish the purposes of this Agreement.
6. During the term of this Agreement, UNC shall not enter into any agreements to supply water to a third party from the well source described in paragraph 4 herein, nor shall UNC enter into any agreements to supply water to a third party from any other source that would interfere with MK-Ferguson's ability to extract the amount of water provided under paragraph 3 hereof.
7. In the event any entity or person asserts a claim that the water contemplated herein may not be diverted and used for the purposes contemplated herein, UNC shall, at its own cost, defend against such claim, or, at UNC's sole discretion, elect not to defend against such claim. In the event (i) it is finally determined that the water contemplated herein may not be diverted and used for the purposes contemplated herein, or (ii) UNC elects not to defend against a claim to such effect, or (iii) the parties are unable to obtain any permit, license or certificate necessary for the diversion and use of the water for the purposes contemplated herein, and, furthermore, if UNC does not provide from alternative sources the amount of water for which UNC is responsible under paragraph 3 hereof, this Agreement shall be terminated and UNC's sole liability to MK-Ferguson hereunder shall be to reimburse MK-Ferguson the cost of refurbishing the well, holding MK-Ferguson harmless from any award of damages to another entity or person in relation to the diversion and use of the water contemplated herein, and negotiating an equitable settlement as provided in paragraph 8 below.
8. This Agreement is based on the water amounts set forth under paragraph 3 to be used during the term of the remedial action at the Ambrosia Site and vicinity property. Upon completion of the remedial action for the Ambrosia Site and vicinity property, this Agreement will be considered to be fulfilled. However, if the well should fail to provide water at a rate as provided in paragraph 3, UNC may at its election furnish water from another source in the least amount specified under section 3 hereof, so long as the costs to MK-Ferguson

are not increased, or, if UNC does not so elect, the parties shall negotiate an equitable settlement for the difference between work performed and water consumed, on the basis of actual direct costs of work performed and the fair market value, at the wellhead, of the water provided by UNC, provided that any failure to provide water that results from MK-Ferguson's failure to keep the well in good operating condition as required in paragraph 3 hereof shall be the sole responsibility of MK-Ferguson.

9. Neither UNC nor MK-Ferguson shall be liable to the other party hereto, for special or consequential loss or damage of any nature, including loss of revenue, loss of profit, loss by reason of shutdown, non-operation, or increased expense of operation, whether in contract, tort (including negligence), strict liability or otherwise.
10. MK-Ferguson will cause all of its subcontractors engaged in remedial action work packages at the Ambrosia Site which include work relative to the removal and disposal of the byproduct material described in paragraph 1 herein, to include UNC with MK-Ferguson and the DOE as an additional insured for third party liability. Copies of the Certificate of Insurance will be on file in the Procurement Department at the MK-Ferguson Albuquerque Project Office for review if requested by UNC.
11. Storage and maintenance of the byproduct material covered under this Agreement is the responsibility of the DOE. MK-Ferguson is not responsible for any storage and maintenance except as shall be required by provisions of MK-Ferguson's Contract No. DE-AC04-83AL18796 with the DOE.
12. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of UNC, and to MK-Ferguson solely as provided by MK-Ferguson's Contract No. DE-AC04-83AL18796 as pertains to the Ambrosia Site Tasks to be negotiated between MK-Ferguson and the DOE.
13. Any notices required hereunder shall be made in writing and shall be effective on delivery to MK-Ferguson, P.O. Box 9136, Albuquerque, N.M., 87119, Attention: Project Director. Any notices to UNC shall be made in writing and shall be effective on delivery to UNC, P.O. Drawer QQ, Gallup, N.M., 87301, Attention: General Manager.
14. If this Agreement has not earlier terminated, it shall terminate upon the completion of the remedial action work at the Ambrosia Lake Site and vicinity property.

15. This Agreement is not intended to create, and nothing herein shall be construed to as creating, a partnership, a commercial partnership, a joint venture, joint enterprise, co-ownership or any kind of association or fiduciary relationship.
16. This Agreement is contingent upon acquisition of the Ambrosia Site by the State of New Mexico. The effective date of this Agreement shall be the effective date of site acquisition by the State of New Mexico.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

My Commission Expires: December 23, 1990

Lisa M. Cash
NOTARY PUBLIC

MK-FERGUSON COMPANY

By: J.G. Oldham

J.G. OLDHAM,
ATTORNEY-IN-FACT

MAR 03 1988

Date: _____

UNITED NUCLEAR CORPORATION

My Commission Expires: June 6, 1990

Mary Eneal
NOTARY PUBLIC

By: Juan R. Velasquez

JUAN R. VELASQUEZ,
VICE PRESIDENT

Date: March 4, 1988

Exhibit 1

MATERIALS LICENSE

uant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 40 and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee

1. United Nuclear Corporation

3. License number

SUA-1481
(formerly SUA-1082)2. 6501 America's Parkway, N.E.
Suite 1040
Albuquerque, New Mexico 87110

4. Expiration date

Until NRC determines
site decommissioning
is complete5. Docket or
Reference No.

40-8913

Byproduct, source, and/or
special nuclear material7. Chemical and/or physical
form8. Maximum amount that licensee
may possess at any one time
under this license

Byproduct Material

Any

Unlimited

9. Authorized place of use: The licensee's ion exchange and experimental heap leach uranium recovery facilities located in McKinley County, New Mexico.
10. The licensee is hereby authorized to possess byproduct material in the form of contaminated equipment and other byproduct wastes generated by the licensee's past operations as delineated in License Condition 14 of this license. The licensee is not authorized to produce uranium concentrate.
11. Release of equipment or packages from the restricted area shall be in accordance with Attachment No. 1 to SUA-1481, "Guidelines for Decontamination of Facilities and Equipment Prior to Release for Unrestricted Use or Termination of Licenses for Byproduct or Source Materials," dated September, 1984.
12. The licensee shall submit in the form of a license amendment a proposed environmental sampling program adequate to demonstrate conformance to 10 CFR Part 20 no later than March 31, 1988.
13. The results of all effluent and environmental monitoring required by this license shall be reported in accordance with 10 CFR 40, Section 40.65 with copies of the report sent to the USNRC, Uranium Recovery Field Office. Monitoring data shall be reported in the format shown in the Attachment No. 2 to SUA-1481, "Sample Format for Reporting Monitoring Data."
14. The licensee shall submit, by March 31, 1988, in the form of a request for a license amendment, a decommissioning plan for the ion exchange and experimental heap leach facilities. The plan shall provide that, prior to termination of this license, the licensee shall transfer all byproduct material wastes possessed under this license to a recipient authorized to receive such material in accordance with § 40.51, 10 CFR Part 40, or the plan shall provide that all

EXHIBIT 1

8801070438-388

MATERIALS LICENSE
SUPPLEMENTARY SHEETLicense number
SUA-1481Docket or Reference number
40-8913

structures and equipment are decontaminated to limits specified in Attachment No. 1 to this license. Further, the plan shall provide for the clean-up of soils in areas adjacent to licensed activities to those limits specified in Criterion No. 6, 10 CFR Part 40, Appendix A. The decontamination plan shall include the shaded areas of the IX circuit and associated equipment as shown on Figure 4 of United Nuclear's submittal to the State of New Mexico dated November 4, 1976 (Attachment No. 3 to this license); the heap leach as shown in the attached drawing of UNC's submittal to the State of New Mexico dated November 17, 1980 (Attachment No. 4 to this license); the buried pipeline connecting the heap leach and IX circuit; and the materials designated as UNC's property on the letter submitted to the State of New Mexico dated March 6, 1987, excepting that item No. 22 is also UNC property. In addition the plan shall include a schedule for completion of decommissioning and a detailed cost analysis of proposed decommissioning costs as a basis for a surety as prescribed by Condition No. 23 of this license.

15. The licensee is hereby exempted from the requirements of Section 20.203(e)(2) of 10 CFR 20 for areas within the facility provided that all entrances to the licensed facility are conspicuously posted in accordance with Section 20.203(e)(2) and with the words, "Any area within this mill (fence) may contain radioactive material."
16. The results of sampling, analyses, surveys and monitoring, the results of calibration of equipment, reports on audits and inspections, all meetings and training courses required by this license and any subsequent reviews, investigations, and corrective actions, shall be documented. Unless otherwise specified in the USNRC regulations all such documentation shall be maintained for a period of at least five (5) years.
17. The facility Radiation Safety Officer (RSO), who is responsible for radiation safety aspects of the facility decommissioning, shall possess the minimum qualifications as specified in Section 2.4.1 of Regulatory Guide 8.31, "Information Relevant to Ensuring that Occupational Radiation Exposures at Uranium Mills will be As Low As is Reasonably Achievable."
18. Written procedures shall be established for radiation protection activities to include in-plant and environmental monitoring, bioassay analyses, and instrument calibrations.

All written procedures for radiation protection activities shall be reviewed and approved in writing by the RSO before implementation and whenever a change in procedure is proposed to ensure that proper radiation protection principles are being applied. In addition, the RSO shall perform a documented review of all existing site procedures at least annually.

19. The licensee shall be required to use a Radiation Work Permit (RWP) for all work where the potential for significant exposure to radioactive material exists and for which no standard written procedure already exists. The RWP shall be issued

MATERIALS LICENSE
SUPPLEMENTARY SHEET

License number

SUA-1481

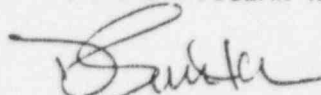
Docket or Reference number

40-8913

by the RSO or his designate, qualified by way of specialized radiation protection training and shall at least describe the following:

- A. The scope of the work to be performed.
- B. Any precautions necessary to reduce exposure to uranium and its daughters.
- C. The supplemental radiological monitoring and sampling necessary prior to, during, and following completion of the work.
20. Occupational exposure calculations shall be performed and documented within one week of the end of each regulatory compliance period as specified in 10 CFR 20.103(a)(2) and 10 CFR 20.103(b)(2). Routine airborne particulate samples shall be analyzed in a timely manner to allow exposure calculations to be performed in accordance with this condition.
21. Byproduct material, other than small samples for purposes such as analysis, shall not be transferred from the site without specific prior written approval of the USNRC in the form of a license amendment. The licensee shall maintain a permanent record of all transfers made under the provisions of this condition.
22. All wastes (solid and liquid) resulting from facility decommissioning activities, with the exception of sanitary wastes, shall be discharged to a USNRC authorized disposal area. For purposes of this condition, the tailings disposal area of the Title I Ambrosia Lake, New Mexico site may be considered an acceptable disposal area for these wastes.
23. The licensee shall maintain a USNRC approved surety arrangement adequate to cover facility decommissioning. The licensee shall submit for USNRC review and approval a proposed surety arrangement within three (3) months of USNRC approval of a site decommissioning plan or approval of any revision thereto. The revised surety shall be in effect within three (3) months of written USNRC approval. Furthermore, the licensee shall submit for USNRC review any proposed revision or update to the surety arrangement at least two (2) months prior to the proposed effective date. Along with each proposed revision or update and at least annually, the licensee shall submit documentation showing a breakdown of the costs and the cost basis for facility decommissioning.

FOR THE NUCLEAR REGULATORY COMMISSION



R. Dale Smith, Director
Uranium Recovery Field Office
Region IV

Dated: DEC 02 1987

GUIDELINES FOR DECONTAMINATION OF FACILITIES AND EQUIPMENT

PRIOR TO RELEASE FOR UNRESTRICTED USE

OR TERMINATION OF LICENSES FOR

BYPRODUCT OR SOURCE MATERIALS

U. S. Nuclear Regulatory Commission
Uranium Recovery Field Office
Region IV
Denver, Colorado 80225

SEPTEMBER 1984

841107 0274

17 PP

The instructions in this guide in conjunction with Table I specify the radioactivity and radiation exposure rate limits which should be used in accomplishing the decontamination and survey of surfaces or premises and equipment prior to abandonment or release for unrestricted use.

1. The licensee shall make a reasonable effort to eliminate residual contamination.
2. Radioactivity on equipment or surfaces shall not be covered by paint, plating, or other covering material unless contamination levels, as determined by a survey and documented, are below the limits specified in Table I prior to applying the covering. A reasonable effort must be made to minimize the contamination prior to use of any covering.
3. The radioactivity on the interior surfaces of pipes, drain lines, or ductwork shall be determined by making measurements at all traps, and other appropriate access points, provided that contamination at these locations is likely to be representative of contamination on the interior of the pipes, drain lines, or ductwork. Surfaces of premises, equipment, or scrap which are likely to be contaminated but are of such size, construction, or location as to make the surface inaccessible for purposes of measurement shall be presumed to be contaminated in excess of the limits.
4. Upon request, the Commission may authorize a licensee to relinquish possession or control of premises, equipment, or scrap having surfaces contaminated with materials in excess of the limits specified. This may include, but would not be limited to, special circumstances such as razing of buildings, transfer of premises to another organization continuing work with radioactive materials, or conversion of facilities to a long-term storage or standby status. Such requests must:
 - a. Provide detailed, specific information describing the premises, equipment or scrap, radioactive contaminants, and the nature extent, and degree of residual surface contamination.
 - b. Provide a detailed health and safety analysis which reflects that the residual amounts of materials on surface areas, together with other considerations such as prospective use of the premises, equipment or scrap, are unlikely to result in an unreasonable risk to the health and safety of the public.

5. Prior to release of premises for unrestricted use, the licensee shall make a comprehensive radiation survey which establishes that contamination is within the limits specified in Table I. A copy of the survey report shall be filed with the Uranium Recovery Field Office, Region IV, P.O. Box 25325, Denver, CO 80225. The survey report shall:
 - a. Identify the premises.
 - b. Show that reasonable effort has been made to eliminate residual contamination.
 - c. Describe the scope of the survey and general procedures followed.
 - d. State the findings of the survey in units specified in the instruction.

Following review of the report, the NRC will consider visiting the facilities to confirm the survey. The licensee shall not release the premises for unrestricted use without the written approval of the USNRC staff.

TABLE I

ACCEPTABLE SURFACE CONTAMINATION LEVELS

NUCLIDES ^a	AVERAGE ^{b c f}	MAXIMUM ^{b d f}	REMOVABLE ^{b e f}
U-nat, U-235, U-238, and associated decay products	5,000 dpm /100 cm ²	15,000 dpm /100 cm ²	1,000 dpm /100 cm ²
Transuranics, Ra-226, Ra-228, Th-230, Th-118, Pa-231, Ac-227, I-125, I-129	100 dpm/100 cm ²	300 dpm/100 cm ²	20 dpm/100 cm ²
Th-nat, Th-232, Sr-90, Ra-223, Ra-224, U-232, I-126, I-131, I-133	1,000 dpm/100 cm ²	3,000 dpm/100 cm ²	200 dpm/100 cm ²
Beta-gamma emitters (nuclides with decay modes other than alpha emission or spontaneous fission) except SR-90 and others noted above.	5,000 dpm /100 cm ²	15,000 dpm /100 cm ²	1,000 dpm /100 cm ²

^aWhere surface contamination by both alpha- and beta-gamma-emitting nuclides exists, the limits established for alpha- and beta-gamma-emitting nuclides should apply independently.

^bAs used in this table, dpm (disintegrations per minute) means the rate of emission by radioactive material as determined by correcting the counts per minute observed by an appropriate detector for background, efficiency, and geometric factors associated with the instrumentation.

^cMeasurements of average contaminant should not be averaged over more than 1 square meter. For objects of less surface area, the average should be derived for each such object.

^dThe maximum contamination level applies to an area of not more than 100 cm².

^eThe amount of removable radioactive material per 100 cm² of surface area should be determined by wiping that area with dry filter or soft absorbent paper, applying moderate pressure, and assessing the amount of radioactive material on the wipe with an appropriate instrument of known efficiency. When removable contamination on objects of less surface area is determined, the pertinent levels should be reduced proportionally and the entire surface should be wiped.

^fThe average and maximum radiation levels associated with surface contamination resulting from beta-gamma emitters should not exceed 0.2 mrad/hr at 1 cm and 1.0 mrad/hr at 1 cm, respectively, measured through not more than 7 milligrams per square centimeter of total absorber.

ATTACHMENT NO.

SAMPLE FORMAT FOR REPORTING
MONITORING DATA
REGULATORY GUIDE 4.14

SAMPLE FORMAT FOR REPORTING MONITORING DATA

Page 1 of 3

1. STACK SAMPLES

For each sample analyzed, report the following information:

- Date sample was collected
- Location of sample collection
- Stack flow rate (m^3/sec)

Radionuclide	Concentration ($\mu Ci/ml$)	Error Estimate ^(b) ($\mu Ci/ml$)	Release Rate (Ci/qr)	Error Estimate (Ci/qr)	LLD ^(c) ($\mu Ci/ml$)	% MPC ^(c)
U-nat						
Th-230						
Ra-226						
Pb-210						

2. AIR SAMPLES

For each sample analyzed, report the following information:

- Date sample was collected
- Location of sample collection

Radionuclide	Concentration ($\mu Ci/ml$)	Error Estimate ($\mu Ci/ml$)	LLD ($\mu Ci/ml$)	% MPC
U-nat				
Th-230				
Ra-226				
Pb-210				
Rn-222				

- (a) This table illustrates format only. It is not a complete list of data to be reported. (See text of guide and Tables 1 and 2.)
- (b) Error estimate should be calculated at 95% uncertainty level, based on all sources of random error, not merely counting error. Significant systematic error should be reported separately. See Sections 6.1, 7.1.4, and 7.3.
- (c) All calculations of lower limits of detection (LLD) and percentages of maximum permissible concentration (MPC) should be included as supplemental information.

TABLE 3 (Continued)

SAMPLE FORMAT FOR REPORTING MONITORING DATA

3. LIQUID SAMPLES

For each sample analyzed, report the following information:

- Date sample was collected
- Location of sample collection
- Type of sample (for example: surface, ground, drinking, stock, or irrigation)

Radionuclide	Concentration ($\mu\text{Ci}/\text{ml}$)	Error Estimate ($\mu\text{Ci}/\text{ml}$)	LLD ($\mu\text{Ci}/\text{ml}$)
U-nat (dissolved)			
U-nat (suspended)(d)			
Th-230 (dissolved)			
Th-230 (suspended)(d)			
Ra-226 (dissolved)			
Ra-226 (suspended)(d)			
Pb-210 (dissolved)			
Pb-210 (suspended)(d)			
Po-210 (dissolved)			
Po-210 (suspended)(d)			

4. VEGETATION, FOOD, AND FISH SAMPLES

For each sample analyzed, report the following information:

- Date sample was collected
- Location of sample collection
- Type of sample and portion analyzed

Radionuclide	Concentration ($\mu\text{Ci}/\text{kg wet}$)	Error Estimate ($\mu\text{Ci}/\text{kg}$)	LLD ($\mu\text{Ci}/\text{kg}$)
U-nat			
Th-230			
Ra-226			
Pb-210			
Po-210			

(d) Not all samples must be analyzed for suspended radionuclides. See Sections 1.2 and 2.2 of this guide.

TABLE 3 (Continued)

SAMPLE FORMAT FOR REPORTING MONITORING DATA

5. SOIL AND SEDIMENT SAMPLES

For each sample analyzed, report the following information:

- Date sample was collected
- Location of sample collection
- Type of sample and portion analyzed

<u>Radionuclide</u>	<u>Concentration</u> ($\mu\text{Ci/g}$)	<u>Error Estimate</u> ($\mu\text{Ci/g}$)	<u>LLD</u> ($\mu\text{Ci/g}$)
U-nat			
Th-230			
Ra-226			
Pb-210			
Po-210			

6. DIRECT RADIATION MEASUREMENTS

For each measurement, report the dates covered by the measurement and the following information:

<u>Location</u>	<u>Exposure Rate</u> (mR/hr)	<u>Error Estimate</u> (mR/hr)

7. RADON FLUX MEASUREMENTS

For each measurement, report the dates covered by the measurement and the following information:

<u>Location</u>	<u>Flux</u> ($\text{pCi/m}^2\text{-sec}$)	<u>Error Estimate</u> ($\text{pCi/m}^2\text{-sec}$)

ATTACHMENT NO. 3 to SUA- 1481

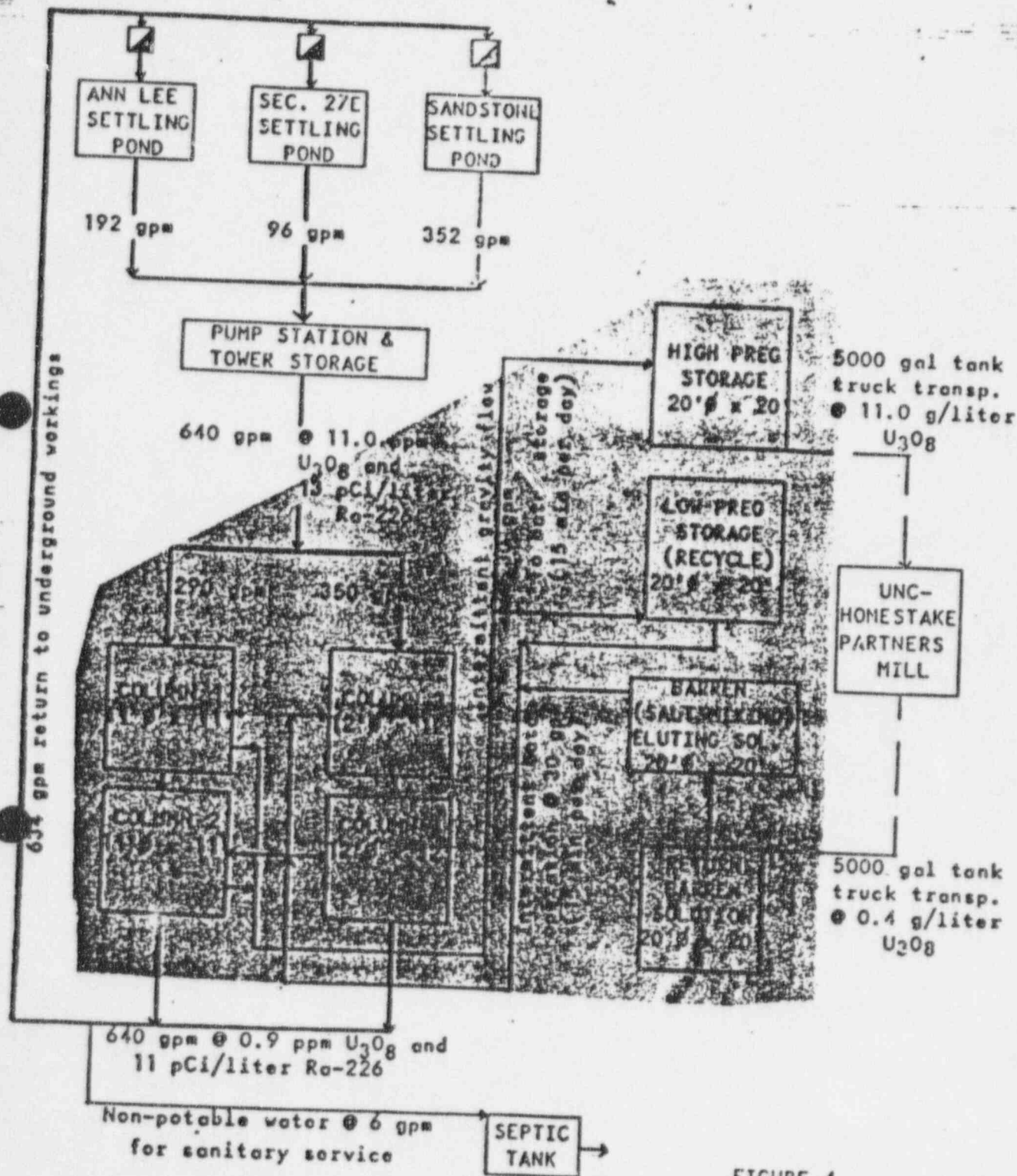
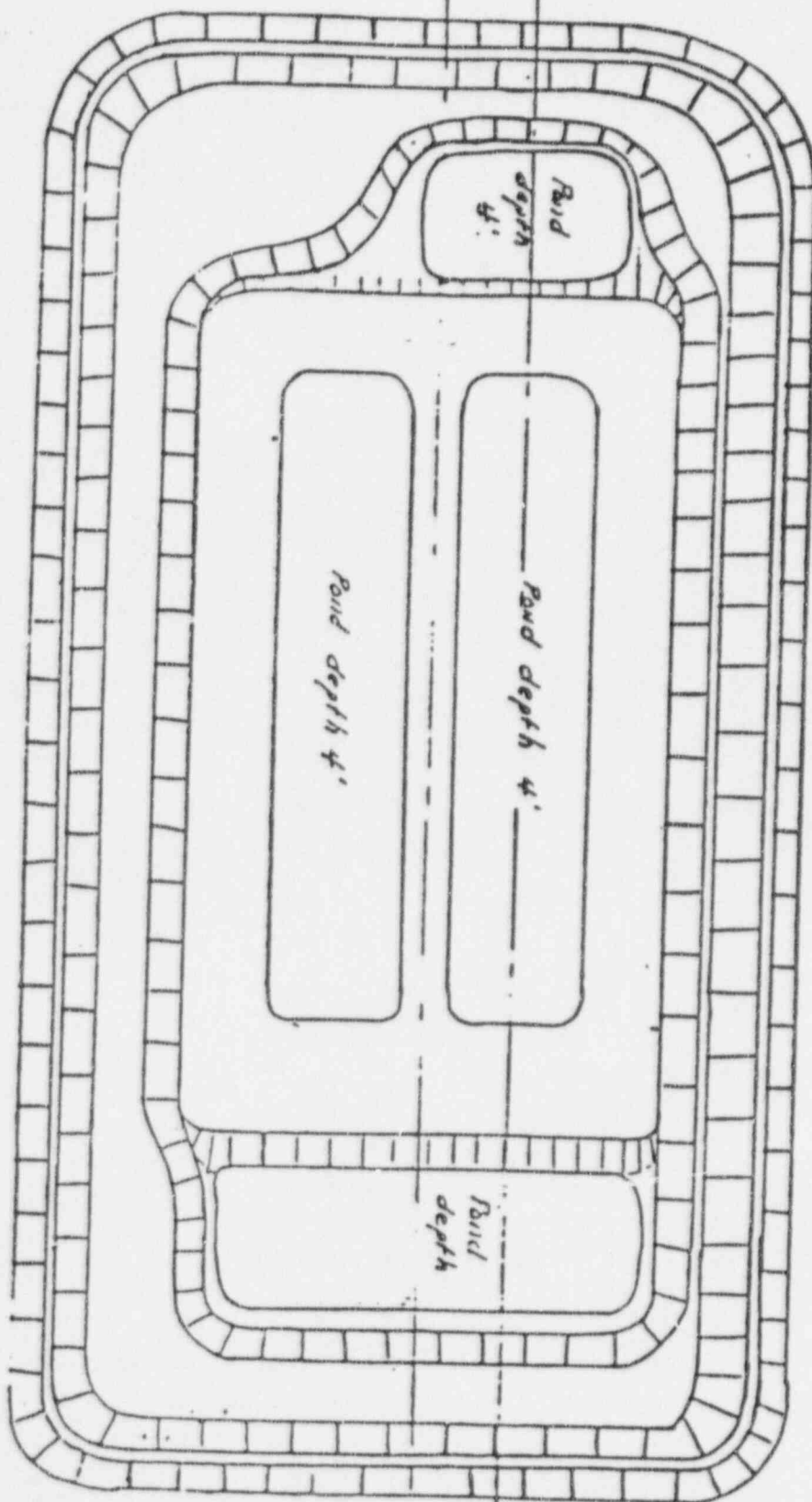


FIGURE 4
FLOW DIAGRAM
IX PLANT
IN THE OLD PHILLIPS MILL

* [UNC's submittal to NMEID
dated Nov. 4, 1976]

UNC's submittal to
NMEID dated Nov. 17, 1980

UIC LEACH PAD
SECTION 27
AMERSON LAKE
SCALE 1"=40'
PLAN VIEW



CROSS SECTION
VERTICAL & HORIZ SCALE 1"=40'

CANYON
BANK

CANYON
BANK

• Exhibit 2

•

UNC MINING AND MILLING

Division of United Nuclear Corporation
A UNC RESOURCES Company

P.O. Box 8480
Santa Fe, New Mexico 87504-8480 Telephone 505/988-9208

March 6, 1987

Dr. J. Margo Keele
Program Manager
Radiation Protection Bureau
New Mexico Health & Environment Department
P.O. Box 965
Santa Fe, N.M. 87501-0968

Dear Dr. Keele,

UNC has completed its review of the inventory list which DOE provided in its January 9, 1987 letter. As we indicated in our meeting of March 3, UNC believes that some of the materials identified by DOE are, in fact, their responsibility to dispose of under Title I of UMTRCA because they are byproduct materials as defined in Section 2014(C)(2) of the Atomic Energy Act, as amended, wherein byproduct materials includes "tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material".

Nonetheless, UNC has identified a number of items that we propose we will remove from the site. The following is a list which indicates what UNC proposes be done with the materials inspected by DOE. As we mentioned at our meeting, our identification of the material does not always agree with DOE's. The list is organized to coincide with DOE's inventory list for ease of reference.

1. Dry Materials - Baroid Quik Gel, Octive Thinner, Kwik Seal, Dicks Mud Seal, Calcium Chloride Flakes, Barite

UNC proposes that it will remove these from the site.

2. Various Lubricants in the mill building.

UNC proposes that it will remove these lubricants together with a number of others identified below. They will be sold for recycling or taken to Churchrock for future use.

EXHIBIT 2

3. Ammocoat Paints #66,64 & 78

These are all old paints used in the mill to provide protective coatings for equipment and floors. As such UNC considers them to fall within the definition of byproduct material.

4. Drums No. 1A-1F

This is a flocculant which was used in the mill process. UNC considers these to be byproduct materials.

5. Drums No. 2,3,4,5,6,7A,7B,8,9,10, & 11

These contain kerosene or oil which UNC proposes that it will remove.

6. Drum No.12

This drum contains rainwater with a light scum of residue from whatever was in the drum. UNC believes this to be byproduct material.

7. 13A-G & 14

These drums contain lubricants and oil which UNC proposes that it will remove.

8. Drums No. 14,15,16,17 & 18

These drums all contain rainwater with a residual scum. UNC believes they are byproduct material.

9. Drum No. 19

This drum contains oil which UNC proposes that it will remove.

10. Drums No. 20,21, & 22A & E

Drums No. 20 & 21 contain organic phosphate, a water treatment material for the boiler. Drums No. 22A & 22E contains rainwater with a residual scum. UNC believes these to be byproduct material.

11. Drums No. 22B,C,D,F,24,25,26,2' & 28

These drums contain oil and antifreeze which UNC proposes that it will remove.

12. Drums No. 29 & 30

These drums contain rainwater with scum residual. UNC believes them to be byproduct material.

13. Drums No. 31 through 81

These drums contain a variety of oil, antifreeze, transmission fluid and diesel fuel additives, which UNC proposes that it will remove.

14. Drum No. 82

This drum contains paint that was used in the mill area. UNC believes this to be byproduct material.

15. Drums No. 83, 84 & 85

These drums contain oil which UNC proposes that it will remove.

16. Drum No. 86

This drum contains rainwater with a scum residual. UNC believes this to be byproduct material.

17. Drums No. 87 through 92

These drums contain oil and floor wax which UNC proposes that it will remove.

18. Drum No. 93

This drum contains caustic soda used in the mill process. UNC believe this to be byproduct material.

19. Drums No. 94, 95, 96, 97 & 98

These drums contain oil which UNC proposes that it will remove.

20. Drums No. 99 & 100

These drums contain caustic soda and soda ash used in the mill process. UNC considers these to be byproduct material.

21. Drums No. 101 through 104

These drums contain oil which UNC proposes that it will remove.

22. Unnumbered item labeled sample No. 37.

This item is a tank which DOE identified as a carrier solvent. It is, in fact, 14,000 gallons of sodium chloride stripping solution containing approximately 23 pounds of uranium in solution. This material was used by UNC when it operated the IX plant. UNC suggests that this material be disposed of in the tailings pile. It is a non-toxic material, essentially salt water, with a very minor amount of uranium.

23. Drums 23A, B, C, & D

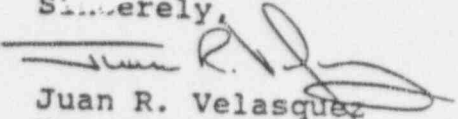
These drums are not on the DOE inventory list. We assume DOE simply forgot them as they were labeled along with the others. They contain used oil which UNC proposes that it will remove along with the rest.

UNC would propose that UNC, DOE and NMEID reach a mutually acceptable resolution of the disposal of the items listed above and would be pleased to meet further with you and DOE after you have had an opportunity to consider this matter.

Regarding an unrelated item discussed at our meeting, we take this opportunity to confirm that the bunkers you questioned are empty. They have been locked for safety and security purposes. If you have additional questions, please contact me at 883-6901. My new address is:

6501 America's Parkway, N.E.
Suite 1040
Albuquerque, NM 87110

Sincerely,


Juan R. Velasquez
Manager, Environmental Affairs

JRV/mn

cc: Ron Messenheimer
Chuck Johnson
Ed Morales
Stanley Crout

• Exhibit 3

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Department of Energy
Albuquerque Operations Office
P.O. Box 5400
Albuquerque, New Mexico 87115

JAN 22 1988

Dale Smith
Director, Uranium Recovery
Field Office
Region IV
U.S. Nuclear Regulatory Comm.
P. O. Box 25325
Denver, CO 80225

MK-FERGUSON CO.
ALBUQUERQUE

JAN 22 1988

Dear Mr. Smith:

RECEIVED

This is in regards to the NRC letter to DOE dated June 17, 1987, responding to our request of NRC to review the license status of the Ambrosia Lake site (Enclosure 1). NRC concluded that United Nuclear Corporation (UNC) is "responsible under License No. SUA-1082 for the proper disposal of the byproduct material (tailings and other wastes) generated by the IX operation and the heap leach operation."

We have reviewed your letter to DOE, dated December 2, 1987, containing UNC's final upgraded license (SUA-1481), and letter to UNC, dated September 10, 1987, concerning UNC's former license (SUA-1082) (Enclosure 2).

MK-Ferguson Company (MK-F), the DOE Remedial Action Contractor, will enter into a separate agreement with UNC for the removal and disposal of the byproduct material identified below. The MK-F/UNC agreement will provide that UNC allow MK-F to obtain construction water from a well owned by UNC in exchange for removal and disposal of such byproduct material by MK-F. UNC will also remove from the Ambrosia Lake site the materials acknowledged by UNC to be their property in a letter submitted to the State of New Mexico dated March 6, 1987 (Enclosure 3), except item No. 4 listed below. The agreement will be effective on the date the State of New Mexico acquires the mill site property from UNC.

As provided in 10 CFR 40.51, and pursuant to your letter dated December 2, 1987, DOE will assume full responsibility, except as noted above, for the byproduct material covered under SUA-1481, as identified below:

- 1) Ion exchange (IX) circuit and associated equipment described in License Condition 14 of license SUA-1481.
- 2) Experimental heap leach pad and buried pipeline connecting the heap leach and IX circuit as described in License Condition 14 of license SUA-1481.

8905120022 1128

EXHIBIT 3

JAN 22 1988,

Dale Smith

- 2 -

3) Contaminated soils in areas adjacent to the IX and heap leach facilities.

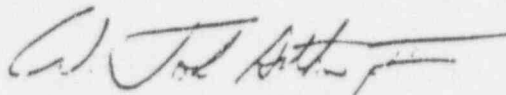
4) Estimated 14,000 gallons of a sodium chloride solution containing uranium and other radiological contaminants (Enclosure 3, Item No. 22).

DOE will assume responsibility for the above specified byproduct material only when the State of New Mexico acquires the mill site property from UNC, and upon agreement between MK-F and UNC as indicated above.

In conformance with the Uranium Mill Tailings Radiation Control Act of 1978 (UMTRCA), the NRC must concur with the Remedial Action Plan (RAP), Certification Report, and license the long-term surveillance and maintenance of the site for the purpose of ensuring compliance with the standards established by the Environmental Protection Agency. The DOE's RAP for stabilization of the mill tailings at the Ambrosia Lake site currently includes reclamation of the byproduct material identified above. Therefore, DOE assures stabilization of such byproduct material as provided in the RAP and in a manner consistent with the requirements of 10 CFR Part 40.

DOE will inform the NRC as to the date the State of New Mexico acquires the mill site property so that the NRC can terminate SUA-1481 in its entirety. Thank you for your assistance in this matter. Should you have any questions, please contact Michael Abrams or me at (505) 844-3941.

Sincerely,



W. John Arthur, III
Acting Project Manager
Uranium Mill Tailings Project Office

3 Enclosures

cc w/enclosures:

M. Brown, State of NM, EID
J. Velasquez, UNC
G. Nelson, State of NM, OGC
W. Maez, OCC
J. Oldham, MK-F
D. Dubois, JEG

- Exhibit 4

-

Declaration of Owner of Underground Water Right

Declaration of Owner of Underground Water Right

Declaration No. 44-38861-24 Book 44-38861-1 Date received March 5, 1958
ment. Phillips Petroleum Corp.

agent, Phillips Petroleum Corp.

I, George H. Benz, Manager of Engineering Department, being first duly sworn upon my oath, depose and say that the following is a full and complete statement prepared in accordance with the instructions on the reverse side of this form and submitted in evidence of ownership of a valid underground water right, that I have carefully read each and all of the items contained therein and that the same are true to the best of my knowledge and belief.

declarant

Subscribed and sworn to before me this

day of February A.D. 1958.

My commission expires

Notary Public

BY ATTESTMENT

1. Name of water right owner. Bartlesville

Bartlesville

... County of Washington

Washington

Washington

2. Source of water supply Artesian basin

relate whether erosion or shallow water basin)

located in San Andreas Limestone

(name of underground stream, valley, artesian basin, etc.)

3. The well is located in the

of section 238

五、

Range

N.M.P.M.

on land owned by

Phillips Petroleum Company.

4. Description of well: date drilled Camp. 2-7-39 spaced 11'-0" apart
driller's name Wheeler - day = depth 3366 feet
pumping rate gal. per min.:
diameter (outside) of casing 16"-10-3/4 inches; original flow 230

Diameter (outside) of casing 16"-10-3/4" inches; original flow 230 gal. per min.;

present time 230 gal per min: maximum pumping lift 1386 feet:

21 stage. Type 1 200 Series 650-540 Reda with 80 H.P.

540 Series Reda Motor 60 Cycle

100

8. Quantity of water appropriated and beneficially used \$371 acre-feet per annum

(feast depth or acre feet per acre)

for Industrial

purposes.

3. Acreage actually irrigated and with water right

acres.

located and described as follows (describe only lands actually irrigated):

1958 MAR -5 AM 9:16
STATE ENGINEER OFFICE
SANTA FE, N.M.

Owner _____

Acre
Irrigated

Subdivisions

Sec.

Twp.

Page

arrigated

[illegible]

7. Water was first applied to beneficial use

February 7, 1957

and since that time

has been used fully and continuously on

the above described land

ve described purposes

except as follows:

mill located in said area. The mill is equipped to produce 371,000 feet per annum, which will be the amount to be beneficially used upon completion of mines and mill.

re-evaluation

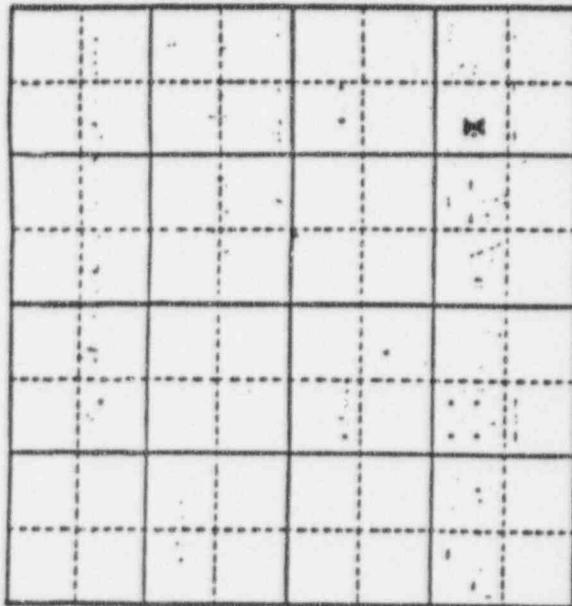
ANSTEC
APERTURE
CARD

**Also Available on
Aperture Card**

9609270072 - 01

Locate well and areas actually irrigated as accurately as possible on following plat:

Section (s) 28 Township 14N. Range 5N. N. M. P. M.



INSTRUCTIONS

Declaration shall be executed (preferably typewritten) in triplicate and must be accompanied by a \$1.00 filing fee. Each of triplicate copies must be properly signed and attested.

A separate declaration must be filed for each well in use.

All blanks shall be filled out fully. Required information which cannot be sworn to by declarant shall be supplied by affidavit of person or persons familiar with the facts and shall be submitted herewith.

Secs. 1-3. Complete all blanks.

Sec. 4. Fill out all blanks applicable as fully as possible.

Sec. 5. Irrigation use shall be stated in feet depth or acre feet of water per acre applied on the land. If used for domestic, municipal, or other purposes, state total quantity in acre feet used annually.

Sec. 6. Describe only the acreage actually irrigated. When necessary to clearly define irrigated acreages, describe to nearest $2\frac{1}{4}$ acre subdivision. If located on unsurveyed lands, describe by legal subdivision "as projected" from the nearest government survey corners, or describe by metes and bounds and tie survey to some permanent, easily-located natural object.

Sec. 7. Explain and give dates as nearly as possible of any years when all or part of acreage claimed was not irrigated.

Sec. 8. If well irrigates or supplies supplemental water to any other land than that described above, or if land is also irrigated from any other source, explain under this section. Give any other data necessary to fully describe water right.

If additional space is necessary, use a separate sheet or sheets and attach securely hereto.

9609270072-02

ANSTEC
APERTURE
CARD
Also Available on
Aperture Card

• AUTHORIZATION

•

UNITED NUCLEAR CORPORATION
Written Consent of All Directors

September 10, 1987

THE UNDERSIGNED, being all of the directors of United Nuclear Corporation, a Delaware corporation, do hereby consent to the adoption of and do hereby adopt the following resolution:

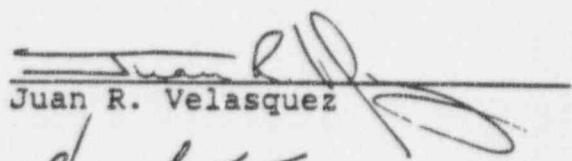
RESOLVED, that the following persons are elected to hold the offices set forth opposite their respective names:

<u>Name</u>	<u>Office</u>
Juan R. Velasquez	Vice President
Miguel M. Mirabal	Treasurer
James P. Fahey	Assistant Treasurer and Assistant Secretary
Mary S. Mawyer	Assistant Secretary

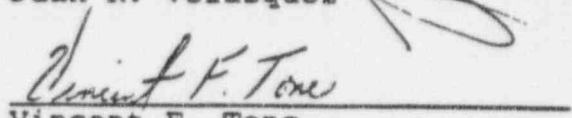
each officer to serve in accordance with the Bylaws of the Corporation until his successor shall have been elected and shall have qualified.

This Written Consent is executed in lieu of the 1987 Annual Meeting of the Directors of the Corporation.

IN WITNESS WHEREOF, the undersigned have executed this Written Consent as of the date first above written.



Juan R. Velasquez



Vincent F. Tonic

MK-FERGUSON COMPANY

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that MK-Ferguson Company, a corporation organized and existing under and by virtue of the laws of the State of Ohio, has entered into a contract with Albuquerque Operations Office, Department of Energy, for the construction of Uranium Mill Tailings Remedial Actions Project, and by these presents does make, constitute and appoint JAMES G. OLDHAM, as Attorney-in-Fact of this corporation and in this capacity and only in connection with the aforementioned project, said attorney is authorized and empowered for and on behalf of this corporation to do and perform the following acts:

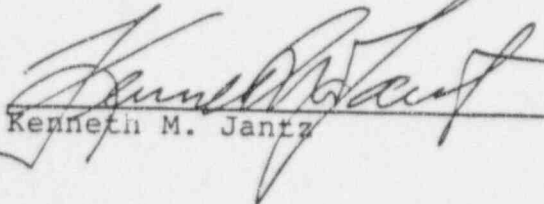
1. To sign performance and payment bonds, progress estimate vouchers, change orders, extra work orders, supplemental agreements, consents of surety and contract modifications,
2. To sign all returns and other documents of governmental agencies or to insurance carriers, for the purpose of reporting industrial insurance contributions, social security and withholding taxes, unemployment compensation taxes and contributions and any and all other similar types of reports, and also to sign proofs of loss in connection with claims under insurance policies and in receipt for payments thereof, and to execute agreements, leases and sidetrack agreements with railroad companies,
3. To execute purchase orders, conditional sales contracts, leases and subcontracts and other agreements for work to be done by others,
4. To sign and certify to plans and specifications, payroll transcripts and affidavits and payroll affidavits of appointment,
5. To acquire, purchase, lease, sell and convey property of any description, both real and personal, and to make, execute and deliver deeds, bills of sale, leases, releases and conveyances of any character and to enter into contracts and agreements of any nature whatsoever,
6. To do and perform all other acts as may be deemed necessary or advisable,

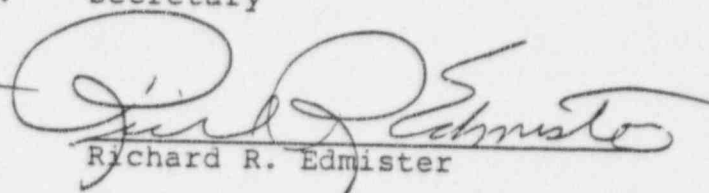
all in connection with the performance of the aforesaid contract.

IN WITNESS WHEREOF, the VICE PRESIDENT, ADMINISTRATION and SECRETARY, in accordance with the powers invested in them by resolution of the Board of Directors dated January 2, 1986 appoint and grant this power of attorney on behalf of the MK-Ferguson Company, by execution of these presents and causing the appropriate seal to be affixed this 10th day of February, 1986.

MK-FERGUSON COMPANY

Vice President, Administration Secretary


Kenneth M. Jantz

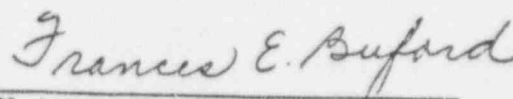

Richard R. Edmister

ACKNOWLEDGMENT

State of Ohio)
County of Cuyahoga) \$

On this 10th day of February, 1986, before me, Frances E. Buford, a Notary Public in and for said State, personally appeared Kenneth M. Jantz and Richard R. Edmister, known to me to be the Vice President, Administration, and Secretary of the Corporation that executed the foregoing instrument, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal of the day and first above written.



Notary Public

FRANCES E. BUFORD, Notary Public

State of Ohio

My Commission Expires Nov. 20, 1989

ENGINEERS
AND
CONSTRUCTORS



MK-FERGUSON COMPANY
A MORRISON KNUDSEN COMPANY

HEADQUARTERS OFFICE
ONE ERIEVIEW PLAZA
CLEVELAND, OHIO U.S.A. 44114
PHONE (216) 523-5600/TELEX 985542

REPLY TO: MK-FERGUSON COMPANY
REMEDIAL ACTIONS
CONTRACTOR UMTRA PROJECT
P.O. BOX 9138
ALBUQUERQUE, NEW MEXICO U.S.A. 87119

March 30, 1988

88-3050-201

Mr. W.J. Arthur, III
Project Manager
U.S. Department of Energy
Uranium Mill Tailings Project Office
First National Bank Building
Suite 1700
5301 Central Avenue, NE
Albuquerque, NM 87108

Subject: Ambrosia Lake Site
Ion Exchange (IX) Removal of Materials Report

Reference: Contract No. DE-AC04-83AL18796

Dear Mr. Arthur:

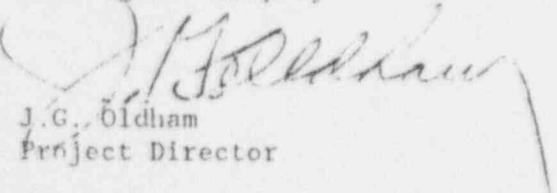
Attached please find a copy of the subject report for your information and records.

Per Mike Abrams' request, a copy will be given to representatives of the Nuclear Regulatory Commission (NRC) during their site visit today.

Should you have any questions, please contact Mr. K.M. Greenwell of my staff at (505) 287-9418.

Sincerely,

MK-Ferguson Company


J.G. Oldham
Project Director

JGO/TGM/ss
Attachment

cc: w/attachment:

J. D'Antonio, DOE UMTRA
M. Abrams, DOE UMTRA
R. Peel, TAC UMTRA

0507F

ION EXCHANGE (IX) REMOVAL OF MATERIALS REPORT

As per the letter from UNC Mining and Milling to New Mexico Health and Environment Department dated March 6, 1987, UNC came on site February 23, 1988, to begin removal of drums and dry materials. Listed below is the removal sequence of events.

February 23, 1988 - Ed Morrales (UNC) and Rusty Johnson (Mesa Oil Company) arrived on site to pump petroleum products out of the drums listed in the above mentioned letter that UNC claimed responsibility for. The drums from which materials were extracted are: 3, 4, 6, 7A, 7B, 9, 10, 11, 13C, 13E, 13H, 17, 18, 22A, 22B, 22C, 22D, 22F, 27, 28, 31-45, 52, 53, 55, 57, 63, 65-71, 73, 75, 76, 77, 78, 80, 95, 96, 97, 101, 102, 103, and 104. They did not remove any drums on this date.

February 24, 1988 - Ed Morrales and six laborers arrived on site to continue removal of the drums and dry material listed as their responsibility in the referenced letter. One hundred drums and approximately thirty sacks of dry material were taken off site. After UNC left, the mill area was inspected to insure UNC's compliance with the removal agreement. Nine drums (2, 5, 30, 54, 81, 85, 88, 89, 90, 92) were found remaining on site.

February 25, 1988 - Ed Morrales was contacted and informed about the drums that were left behind.

March 3, 1988 - Ed Morrales and two laborers came on site and removed the remaining drums (2, 5, 30, 54, 81, 85, 88, 89, 90, and 92).

The mill area was then inspected again and it was determined that UNC had completed removal of the materials as set forth in their letter of March 6, 1987.

3/30/88;TGM/88-3050-201

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