

MATERIALS LICENSE

Pursuant 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, 36, 39, 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		3. License Number
1. U.S. Energy Corp.		SUA-1524, Amendment No. 11
2. 877 North 8th West Riverton, Wyoming 82501	4. Expiration Date	Until NRC determines that site restoration is adequate
	5. Docket or Reference No.	40-8971
6. Byproduct, Source, and/or Special Nuclear Material	7. Chemical and/or Physical Form	8. Maximum Amount that Licensee May Possess at Any One Time Under This License
Natural Uranium Byproducts	Any	Only That Amount In-Plant As A Result Of Previous Operation
9. The licensee is hereby authorized for possession only those byproduct materials in the form of wastes and contaminated facilities and equipment resulting from previous GMIX plant operations. The licensee is not authorized to operate the processing equipment and thereby produce uranium concentrates without a specific license authorization by the NRC. [Applicable Amendments: 8, 10]		
10. Authorized place of possession: The licensee's Green Mountain Ion-Exchange (GMIX) facility located approximately 10 miles south of Jeffrey City, Wyoming.		
11. For use in accordance with statements, representations, and conditions contained in the licensee's application dated May 23, 1988. Whenever, the work "will" is used in the licensee's application specified above it shall denote a requirement. Notwithstanding any statements to the contrary contained in the May 23, 1988 application, the licensee shall adhere to the requirements specified in the following license conditions.		
12. Release of equipment or packages from the restricted area shall be in accordance with the attachment entitled "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.		

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13. The licensee shall conduct decommissioning and reclamation activities in accordance with the detailed site decommissioning plan submitted by letter dated September 29, 1993, and amended by submittals dated November 16, 1993; March 6, 1995; May 24, 1995; and June 8, 1995. [Applicable Amendments: 10]
14. The licensee shall employ or maintain on a consulting basis a qualified Radiation Safety Officer (RSO), who is responsible for radiation safety aspects of the facility. The RSO 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."
- The licensee shall, by utilization of a qualified RSO, provide training, safety instructions, and dosimetry services for all workers routinely visiting the GMIX facility adequate to assure compliance to 10 CFR Part 20 and guidelines contained in Regulatory Guides 8.30 and 8.31.
15. The licensee shall utilize a Radiation Work Permit (RWP) for all work activities performed at the GMIX facility where the potential for significant exposure to radioactive material exists. The RWP shall be issued by the consulting RSO and shall at least describe the following:
- A. The scope of the work activity to be performed.
 - B. Any precautions necessary to reduce exposure of workers to uranium and its daughter products.
 - C. Any supplemental radiological monitoring and sampling necessary prior to, during, and following completion of the work.
16. The licensee is hereby exempted from the requirements of Section 20.203(e)(2) of 10 CFR 20 for areas within the GMIX providing that all entrances to the plant are conspicuously posted in accordance with 20.203(e)(2) and with the words, "Any area within this facility may contain radioactive material."
17. The licensee shall maintain an NRC-approved financial surety arrangement, consistent with 10 CFR 40, Appendix A, Criterion 9, adequate to cover the estimated costs, if accomplished by a third party, for completion of an NRC-approved site closure plan including: above ground decommissioning and decontamination, the cost of offsite disposal of radioactive solid process wastes and evaporation pond residues, and ground-water restoration as warranted. Within 3 months of NRC approval of a revised closure plan, the licensee shall submit, for NRC review and approval, a proposed revision to the financial surety arrangement if estimated costs in the newly approved site closure plan exceed the amount covered in the existing financial surety. The revised surety shall then be in effect within 3 months of written NRC approval. Annual updates to the surety amount, required by 10 CFR 40, Appendix A, Criterion 9, shall be provided to the NRC at least 3 months prior to the anniversary date of November 15 of each

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successive year. If the NRC has not approved a proposed revision 30 days prior to the expiration date of the existing surety arrangement, the licensee shall extend the existing arrangement, prior to the expiration, for 1 year.

Along with each proposed revision or annual update, the licensee shall submit supporting documentation showing a breakdown of the costs and the basis for the cost estimates with adjustments for inflation, maintenance of a minimum 15 percent contingency, changes in engineering plans, activities performed and any other conditions affecting estimated costs for site closure. The licensee shall also provide the NRC with copies of surety related correspondence submitted to the State, a copy of the State's surety review and the final approved surety arrangement. The licensee must also ensure that the surety, where authorized to be held by the State, expressly identifies the NRC related portion of the surety and covers the above ground decommissioning and decontamination, the cost of offsite disposal, soil and water sample analyses and ground-water restoration associated with the site. The basis for the cost estimate is the NRC approved site closure plan or NRC revisions to the plan.

U.S. Energy's currently approved surety, automatically renewable certificates of deposit payable to the State of Wyoming, shall be continuously maintained in an amount no less than \$85,623 for the purpose of complying with 10 CFR 40, Appendix A, Criterion 9, until a replacement is authorized by both the State and the NRC.

[Applicable Amendments: 1, 2, 3, 5, 7, 8, 9, 11]

18. The licensee shall implement the environmental monitoring program for ground water, surface water, and soil sampling at the locations and frequency specified in the attachment to this license entitled, "Green Mountain IX Environmental Monitoring Requirements." 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 directly to the NRC.
[Applicable Amendments: 8, 10]
19. The results of sampling, analysis, surveys, and monitoring, the calibration of equipment, reports on audits and inspections committed to in the licensee's application and in the additional conditions to this license, as well as any subsequent reviews, investigations, and corrective actions, shall be documented. Unless otherwise specified in NRC regulations, all such documentation shall be maintained for a period of at least 5 years.
20. The licensee shall utilize the lower limits of detection in accordance with Section 5 of the Regulatory Guide 4.14, Revision 1 dated April 1980, for analysis of effluent and environmental samples.
21. The licensee shall conduct a quality assurance program for environmental monitoring as outlined in Regulatory Guide 4.15.

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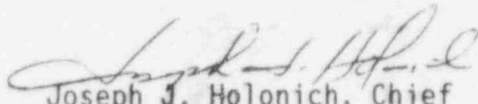
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22. All radiation monitoring, sampling, and detection equipment shall be recalibrated after each repair and as recommended by the manufacturer or at least semiannually. In addition, all radiation survey instruments shall be operationally checked with a radiation source before each use.
23. The licensee is hereby authorized to possess process equipment purchased from the Bison Basin plant. Equipment shall not be removed from the restricted area or decontaminated without submitting a decontamination or decommissioning plan and receiving approval from the NRC.
24. All notices or submittals to the NRC required under this license shall be addressed to the Chief, Uranium Recovery Branch, Division of Waste Management, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, 20555. [Applicable Amendments: 10]

FOR THE NUCLEAR REGULATORY COMMISSION

Date:

Oct 30, 1996
Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management
Office of Nuclear Material
Safety and Safeguards