

February 6, 1997

Docket No.: 040-08980
License No.: SMB-1541
Mail Control No.: 122539

Anthony J. Thompson, Esquire
Shaw, Pittman, Potts & Trowbridge
2300 N Street NW
Washington, DC 20037-1128

SUBJECT: DECOMMISSIONING SCHEDULE

Dear Mr. Thompson:

This letter responds to your letter dated December 30, 1996, which provided the schedule and updated cost estimate for decommissioning the monazite pile and mill facility of Heritage Minerals, Inc. (HMI), as authorized by License No. SMB-1541.

As outlined in your letter, your decommissioning plan is based upon applying for and receiving an export license for shipment of the monazite sand as radioactive material to Malaysia. The HMI decommissioning plan also proposes to remediate any remaining licensed areas to assure compliance with the concentration limits for radium-226 contained in 10 CFR Part 40, Appendix A, Criterion 6, and the current NRC concentration guidelines for thorium and uranium residual activity. Further, you indicate that the cost estimate for completion of the final status survey and related NRC licensing and inspection activities will be provided after discussions with NRC and any necessary consultants.

We believe you have submitted an appropriate schedule, and we expect to accommodate your schedule, which anticipates requesting license termination in the last quarter of calendar year 1997. We also approve your request to meet Option 1 contained in the Branch Technical Position, "Disposal or On-site Storage of Thorium or Uranium Wastes From Past Operations, dated October 23, 1981. However, we question why you believe 10 CFR Part 40, Appendix A, Criterion 6 applies to HMI, since it is our understanding that the HMI processes were not used for the extraction of source material.

As discussed between you and Marie Miller of my staff on January 30, 1997, appropriate NRC staff would be available to discuss HMI's proposed final survey plan. This plan needs to address the survey sampling size and type in the affected and unaffected areas of the HMI site as defined in the NRC guidance document NUREG/CR-5849, "Manual for Conducting Radiological Surveys in Support of License Termination." The final survey plan would also need to address instrument selection and calibration, and the contamination and exposure rate criteria for free release. We suggest meeting during the first two weeks of April either in New Jersey or the NRC RI office. We will invite a representative from the

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State of New Jersey, Department of Environmental Protection to participate in this meeting.

Within thirty days after the meeting, we would expect HMI's final survey plan and updated cost estimate for completion of the final survey be submitted to NRC for our review and inclusion in the HMI license renewal.

If you have any questions concerning this matter, please contact Marie Miller at (610) 337-5205. Your cooperation with us is appreciated.

Sincerely,
Original Signed By:
J.J. Kottan
Ronald R. Bellamy, Chief
Decommissioning & Laboratory Branch
Division of Nuclear Materials Safety

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cc:
John Lord
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State of New Jersey

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3

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