

October 30, 1996



POWER
RESOURCES

Mr. Blair Spitzberg, Chief
Licensing Branch
Region IV
U.S. Nuclear Regulatory Commission
611 Ryan Plaza Drive
Suite 1000
Arlington, TX 76011

40-8857

SUA-1511

RE: Docket No. 030-33055
License No. 49-27458-01
Request for Transfer of Ownership

Dear Mr. Spitzberg:

Power Resources, Inc. (PRI), the licensee of the above referenced license, is a wholly-owned subsidiary of Central Electric Generating Board Exploration (America), Inc. (CEGBE (America)), which is a wholly-owned subsidiary of Magnox Electric, plc, a United Kingdom corporation. CEGBE (America) has entered into an agreement with Cameco Corporation and its wholly owned subsidiary, Cameco Resources (U.S.) Inc. (CRU), which, when all approvals are obtained, will effectively transfer control and responsibility of PRI. This letter constitutes a request for NRC approval of this transfer of ownership and control of PRI from CEGBE (America) to CRU.

The attachment to this letter provides the information required by 10CFR30, NRC Information Notice No. 89-25, Revision 1 and NRC Policy and Guidance Document No. FC 86-2, Revision 1 for review and approval by you and your staff. It is clearly in the best interest of all the parties, including the employees of PRI, that this transaction close as soon as is practical. PRI therefore requests an expedited review and approval of this transfer of ownership.

Please call should you have any questions.

Sincerely,

Paul R. Hildenbrand
Manager of Environmental and
Regulatory Affairs

cc: P.G. Cooper
S.P. Morzenti
A.J. Webb, Cameco
J. Holonich, NRCHQ
File 4.6.4.1

NL05/1

Power Resources, Inc.
Suite 1000
611 Ryan Plaza Drive
Arlington, Texas 76011

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ATTACHMENT

INFORMATION RELATING TO CERTAIN TRANSFERS OF CONTROL ASSOCIATED WITH SOURCE MATERIAL LICENSE SUA-1511 AND MATERIALS LICENSE 49-27458-01

October 31, 1996

1. NEW NAME OF LICENSED ORGANIZATION

There will be no change in the name of the licensed organization.

2. NEW LICENSEE CONTACT AND TELEPHONE NUMBER

There will be no change of licensee contact or telephone number

3. CHANGES IN PERSONNEL HAVING CONTROL OVER LICENSED ACTIVITIES

Effective upon the completion of the transaction, the Board of Power Resources, Inc. (PRI) will include the following individuals:

B.M. Michel, Chair, President and Chief Executive Officer, Cameco Corporation

G.W. Grandey, Senior Vice President, Marketing and Corporate Development, Cameco Corporation

T.J. Gorman, Vice President Finance, Chief Financial Officer and Treasurer, Cameco Corporation

G.M.S. Chad, General Counsel and Secretary, Cameco Corporation

C. Schmitt, President and Chief Executive Officer, Geomex Minerals, Inc.

There will be no changes to personnel named in the licenses or identified in previous license applications as being responsible for radiation safety or use of licensed material. Lawrence McGonagle (Operations Manager), Bill Kearney (Site Radiation Safety Officer) and Paul Hildenbrand (Corporate Radiation Safety Officer) will remain as employees of and continue their active involvement with licensed activities as currently described in the licenses.

4. INDICATION WHETHER TRANSFEROR (SELI ER) WILL REMAIN IN NON-LICENSED BUSINESS WITHOUT AN NRC LICENSE

Central Electricity Generating Board Exploration (America) Inc. (CEGBE (America)), the seller, will not remain in business following this transaction.

5. COMPLETE, CLEAR DESCRIPTION OF TRANSACTION

Pursuant to the terms of a Stock Purchase Agreement dated October 11, 1996 by and between Cameco Corporation, a Canadian corporation ("Cameco"), Cameco Resources (U.S.) Inc., a Nevada corporation and wholly owned subsidiary of Cameco ("CRU"), and Central Electricity Generating Board Exploration (America) Inc., a Colorado corporation and wholly owned subsidiary of the held United Kingdom corporation Magnox plc ("CEGBE (America)"), CRU will purchase 100 percent of the voting securities of Power Resources, Inc., a Wyoming corporation ("PRI"), from CEGBE(America). The transaction is subject to the timely receipt of all necessary regulatory approvals.

6. DESCRIPTION OF PLANNED CHANGES IN ORGANIZATION, LOCATION, FACILITY, EQUIPMENT OR PROCEDURES

There will not be any significant changes in organization, location, facilities, equipment or procedures.

7. DESCRIPTION OF ANY CHANGES IN THE USE, POSSESSION, LOCATION OR STORAGE OF LICENSED MATERIALS

There will not be any changes in the use, possession, location or storage of licensed materials.

8. ANY CHANGES IN ORGANIZATION, LOCATION, FACILITIES, EQUIPMENT, PROCEDURES OR PERSONNEL THAT WOULD REQUIRE A LICENSE AMENDMENT EVEN WITHOUT THE CHANGE OF OWNERSHIP

There will not be any changes in organization, location, facilities, equipment or procedures that would require a license amendment even without the change of ownership.

9. INDICATION OF WHETHER ALL SURVEILLANCE ITEMS AND RECORDS WILL BE CURRENT AT THE TIME OF TRANSFER

All surveillance items and records will be current at the time of transfer. All records, including calibration, leak tests, surveys and radioactive material inventories and accountability requirements are current at this time.

10. CONFIRMATION THAT ALL RECORDS CONCERNING THE SAFE AND EFFECTIVE DECOMMISSIONING OF THE FACILITY, PUBLIC DOSE, AND WASTE DISPOSAL HAVE BEEN TRANSFERRED TO THE NEW LICENSEE

Since there will be no change of licensee, physical transfer of these records will not be necessary. Decommissioning and waste disposal records are current and will be maintained on file at the licensed facility.

11. DESCRIPTION OF THE STATUS OF THE FACILITY

The Highland Uranium Project is an operating in-situ uranium recovery facility. Operation of the facility will continue uninterrupted. Operation of the facility results in the production of a small quantity of by product material which is disposed of at an NRC licensed disposal facility. The facility contains restricted areas where the level of radioactive contamination may exceed the regulatory limits for unrestricted release. As this is an acquisition of an operating production center, there will be no decontamination of these restricted areas prior to the transfer of ownership. PRI will retain liability for decontamination of the facility and disposal of by product materials generated by the process. A suitable reclamation and decommissioning financial assurance instrument in a form, substance and amount acceptable to all the parties is currently and will continue to remain in effect.

12. DESCRIPTION OF DECONTAMINATION PLANS INCLUDING FINANCIAL ASSURANCE AGREEMENTS

PRI agrees to maintain the commitments contained in Source Material License SUA-1511, Materials License 49-27458-01 and all application documents referenced therein, including all reclamation and decommissioning plans. A suitable financial assurance instrument in an amount agreeable to the Wyoming Department of Environmental Quality, the NRC and PRI is and will continue to be maintained for the Highland Uranium Project.

13. CONFIRMATION THAT TRANSFEREE AGREES TO ABIDE BY ALL COMMITMENT AND REPRESENTATIONS PREVIOUSLY MADE TO NRC INCLUDING MAINTAINING DECOMMISSIONING RECORDS, DECONTAMINATION AND DECOMMISSIONING AND CORRECTIVE ACTIONS FOR OPEN INSPECTION AND ENFORCEMENT ITEMS

PRI agrees to continue to abide by all commitments previously made to NRC. These include, but are not limited to, maintaining decommissioning records required by 10 CFR 40.36 and 10 CFR 30.35, implementing decontamination activities and decommissioning of the site, and completing corrective actions for open inspection items and enforcement actions.

PRI will continue to accept full liability for the site with regard to the contamination of facilities and equipment. CRU acknowledges the commitments made by PRI and will ensure that such commitments remain in force and effect notwithstanding the change in control.

While it is understood that there are no current open inspection items, etc., PRI will continue to accept full responsibility for open inspection items and/or any resulting enforcement actions.

14. DOCUMENTATION THAT TRANSFEROR AND TRANSFEREE AGREE TO THE CHANGE IN OWNERSHIP OR CONTROL AND THAT TRANSFEREE IS MADE AWARE OF OPEN INSPECTION ITEMS AND THE RESPONSIBILITY FOR POSSIBLE RESULTING ENFORCEMENT ACTIONS

CRU and CEGBE(America) agree to the change in ownership of PRI, including the control of the licensed material and activities. CRU has reviewed NRC inspection documentation and understands that there currently are no open inspection items or enforcement actions. CRU accepts responsibility for any future inspection items or enforcement actions that may develop through the operation of NRC licensed facilities under its control.

15. COMMITMENT BY TRANSFEREE TO ABIDE BY ALL CONSTRAINTS, CONDITIONS, REQUIREMENTS, REPRESENTATIONS AND COMMITMENTS IDENTIFIED IN THE EXISTING LICENSE

CRU agrees to have PRI abide by all constraints, conditions, requirements, representations, and commitments identified in the existing licenses.