

November 8, 1996

Docket No.: 040-08980
License No.: SMB-1541
Mail Control No.: 120594

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 August 15, 1996, and documents our meeting concerning the Heritage Minerals, Inc., site, at Lakehurst, New Jersey on October 10, 1996. The purpose of the meeting was to discuss your need to initiate decommissioning in accordance with the regulations contained in 10 CFR 40.42 (f), and to discuss your written request to extend the deadline for completion of decommissioning of the Heritage site beyond August 15, 1998. The meeting also provided an opportunity to meet each other and to tour the site.

The Timeliness in Decommissioning of Materials Facilities Rule (59 FR 36026) requires specific time periods for decommissioning entire nuclear material sites following termination of operations. As permitted by the rule, you filed your notification for an alternate time schedule in accordance with the rule. However, your request to extend the deadline for completion of decommissioning of the Heritage site beyond August 15, 1996 is denied. As conveyed during our meeting, the Heritage facility must initiate decommissioning in accordance with 10 CFR 40.42.

The basis for this decision is that the facility has been inactive for over six years and there is no firm commitment for transferring the facility to the State. Further, the State Department of Environmental Protection Agency has not indicated any interest in such an acquisition under the state's "Green Acres" program. However, if the land transfer to the State of New Jersey were to take place before August 15, 1998, the NRC would consider a new decommissioning time clock for the State. This consideration would also require that the State submits a Statement of Intent, at the time of license transfer, to satisfy the decommissioning financial assurance requirements of 10 CFR 40.36.

As a first step in the decommissioning process, it is necessary for you to submit your decommissioning schedule that indicates all decommissioning activities of NRC licensed material and facilities will be completed by August 15, 1998. We intend to incorporate this commitment in the Heritage license renewal.

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During the meeting, you stated that you had been exploring various options with respect to decommissioning the Heritage Minerals, Inc., site, including developing an alternative use for the monazite sand, injecting the material into wells to cap radium containing brines, dilution and disposal, long term storage and exportation. These and other options have been investigated actively by Heritage for several years. With the necessity to initiate decommissioning, a timely decision on the method of decommissioning is mandatory. In addition to a decommissioning schedule, your Decommissioning Cost Estimate must also be updated to reflect the expected costs for the decommissioning option that you plan to initiate. This information is needed to complete the NRC evaluation of your decommissioning funding plan to ensure that there is adequate financial assurance.

We request that both your schedule for decommissioning and your updated decommissioning cost estimate be submitted by December 31, 1996. 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:
Ronald R. Bellamy

Ronald R. Bellamy, Chief
Decommissioning & Laboratory Branch
Division of Nuclear Materials Safety

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cc:
John Lord
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