

40-8781

# UNC TETON EXPLORATION DRILLING, INC.

04008781020E



A UNC RESOURCES Company

P.O. Drawer QQ  
Gallup, New Mexico 87301

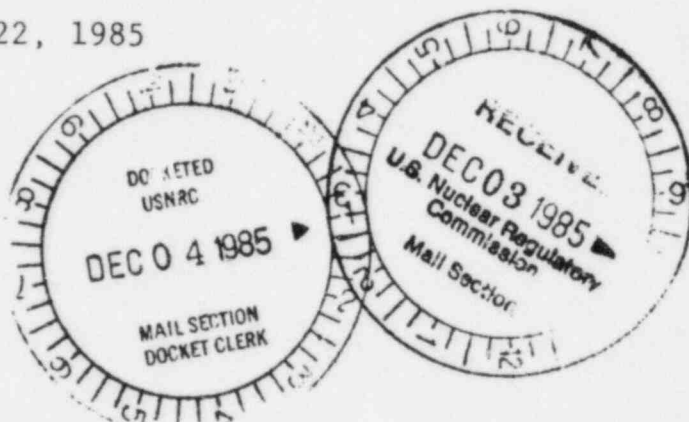
RETURN ORIGINAL TO PDR  
Telephone 505/722-6651

November 22, 1985

Mr. Dale Smith  
Director, Uranium Recovery Field Office  
Nuclear Regulatory Commission  
Box 25325  
Denver, Colorado 80225

Re: SUA - 1403  
Request for License Transfer

Dear Mr. Smith:



Pursuant to 10 CFR 40.46, UNC Teton Exploration Drilling, Inc. (UNC Teton) and Central Electricity Generating Board Exploration (America) Inc. (CEGB America) hereby request that Source Materials License SUA-1403 be transferred from UNC Teton to CEGB America.

CEGB America, a Colorado corporation, has its registered office c/o Davis, Graham & Stubbs, P. O. Box 185, Denver, Colorado 80201, and is authorized to do business in Wyoming. It is a wholly-owned subsidiary of the Central Electricity Generating Board, a public corporation established by statute in the United Kingdom. Attached for your information is an organizational synopsis of the UK's uranium procurement activities as related to this transfer.

CEGB America has agreed to purchase UNC Teton's uranium mineral properties in Wyoming, including the Leuenberger project, subject to NRC approval to transfer the license and to Wyoming DEQ approval to transfer the Permit to Mine. CEGB America undertakes that it will abide by all the conditions of the license.

Because it has no immediate plans for commencing commercial production, CEGB America cannot at present identify individual personnel to be assigned specific responsibilities. However, the organizational structure of the operating unit will be as appropriate for the production phase as that presently contained in the license. CEGB America will submit details and also provide the necessary qualification statements of all key personnel for NRC's review and approval prior to commencing operation of the Leuenberger project.

UNC Teton and CEGB America agree that as of the date the license is transferred, CEGB America shall assume all responsibilities and obligations of UNC Teton under the license and shall be liable for all matters under or associated with said license.

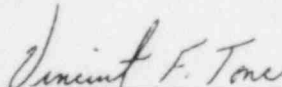
Applicant.....	U.S. N.R.C.
Check No. L118	DEC 16 1985
Amount/Fee Category	AMOUNT
Type of Fee	AMOUNT
Date Check Rec'd.	DEC 16 1985
Received By.....	DEC 16 1985

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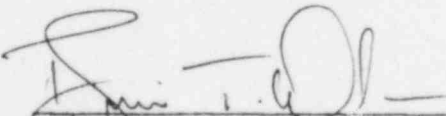
Mr. Dale Smith  
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We trust the information contained herein is sufficient to allow the NRC to approve our transfer request. If you require additional information, please contact Mr. Juan R. Velasquez at (505) 988-9208. Your earliest consideration of our request will be greatly appreciated.

UNC Teton Exploration Drilling, Inc.

By:   
Vincent Tonic  
Vice President

Central Electricity Generating Board Exploration  
(America) Inc.

By:   
Brian T. Dolan  
Director

Organisational Synopsis of the United Kingdom's Uranium Procurement  
Activities in relation to the Leuenberger Project

Introduction

1. Central Electricity Generating Board Exploration (America) Inc ("CEGB America") a Colorado Corporation has agreed to purchase subject to the transfer of the NRC license and the Wyoming DEQ permit the mineral rights in the Leuenberger Project formerly a joint venture between Teton Exploration Drilling Company ("Teton") and Nuclear Exploration and Development Company ("Nedco"). CEGB America is a wholly owned subsidiary of the Central Electricity Generating Board ("CEGB") which is a public corporation established by statute in the United Kingdom.

Corporate Organisation and Uranium Procurement Activities of CEGB

2. CEGB is an organisation of some 50,000 employees whose Executive Board is appointed by the UK Government Minister for Energy. It has a statutory duty to provide economic and secure supplies of electricity in bulk in England and Wales and to take due care of the environment. With 81 power stations, both fossil fuelled, and nuclear, and an integrated distribution grid which in January 1985 supplied a record peak demand of 46,200 MWe, it is one of the largest electrical utilities in the world. CEGB has operated nuclear power stations since 1962 and in 1984 these stations accounted for 17.3% of units generated.

3. In 1979 the three principal users of uranium for peaceful purposes in the UK, namely the CEGB, the South of Scotland Electricity Board ("SSEB") and British Nuclear Fuels PLC ("BNFL"), rationalised their uranium procurement activities by forming a single organisation known as the British Civil Uranium Procurement Organisation ("BCUPO"). BCUPO is controlled by a Directorate ("BCUPD") on which CEGB, SSEB and BNFL are all represented at senior management level. BCUPD's current membership is as follows:-

Chairman

F.E. Bonner (Deputy Chairman, CEGB)

Other Members

J.W. Baker (Board Member, CEGB)

F. Ledger (Director of Operations, CEGB)

I.M.H. Preston (Deputy Chairman, SSEB)

A. Johnson ( Commercial Director, BNFL)

4. It was agreed for administrative reasons that BCUPO should operate as a branch within the CEGB and it is now a small team of some fifteen permanent employees housed in CEGB's London headquarters. The scope of its activities embraces:

- Formulation of overall procurement strategy;
- Market studies;
- Stock holding policy determination and stock management;
- Supply contract negotiation and administration;
- Acquisition of mine equity and resources in the ground;
- Exploration

5. In the furtherance of activities in the two categories last named above overseas offices have been established in Australia, Canada and the United States. Because BCUPO has no corporate status these offices have been set up as subsidiary companies of CEEGB, and all formal contracts and agreements are entered into either in the name of CEEGB or of one of these subsidiaries. On a day to day basis the subsidiaries are under the control of the Head of BCUPO.

6. The relationship between CEEGB America and the UK based organisations referred to in the paragraphs above is shown in Figure 1.

Plans for Leuenberger

7. In acquiring the mineral rights in the Leuenberger Project and adjacent land from Teton and Nedco, BCUPO through CEEGB America is pursuing one aspect of its procurement strategy. The existence of the Source Materials License SUA-1403 has been a key feature in the deal even though the current state of the uranium market dictates that BCUPO has no production plans in the near term. In view of this CEEGB America has no staff in place at present to manage commercial production.

8. In requesting that the License SUA-1403 be transferred from Teton, BCUPO, having studied that license, undertakes to accept the transfer of the license as it stands in the name of CEEGB America, subject only to changes to the organisational section to reflect the new ownership. In due course and well before the development phase CEEGB America will furnish all necessary details of its plans for project management, including the chain of responsibility back to London, and all necessary staff profiles. In the meantime, Mr. Brian T. Dolan,

Assistant Secretary of CEEB America who is located at the company's registered office in Denver is the local contact.

9. The present directors and officers of CEEB America are the following:

	Position in CEEB America	Position in CEEB or other organisation
F. Ledger*	President	Director of Operations, CEEB, London
G.H. Hadley*	Vice President & Secretary	Secretary to the Board, CEEB, London
J.R. Uttley	Treasurer	Director of Finance, CEEB, London
B.T. Dolan*	Assistant Secretary	Lawyer, Davis, Graham & Stubbs, Denver
M. Townsend	#	Head of BCUPO, CEEB, London

\* = Director of CEEB America

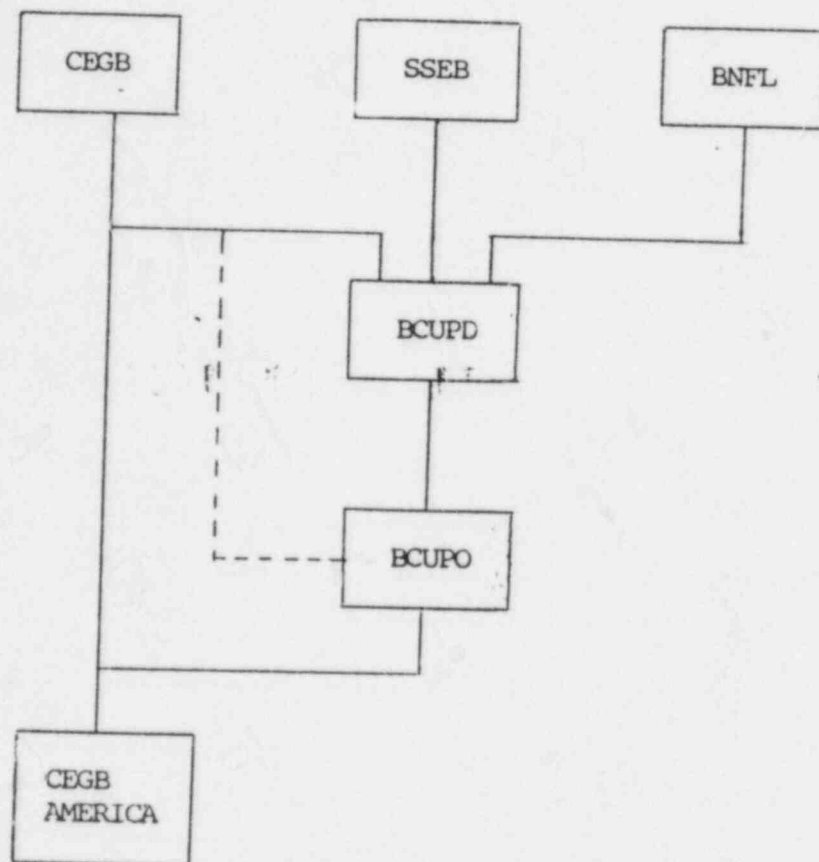
# = M. Townsend holds power of attorney to commit and to execute agreements on behalf of CEEB America.

10. The registered address of CEEB America is:

c/o Davis, Graham & Stubbs  
2600 Colorado National Building  
950 Seventeenth Street  
Post Office Box 185  
Denver, Colorado 80201

[Telephone (303) 892 9400]

FIG. 1



Organisational Structure of UK Uranium Procurement  
Activities carried on through CEGB America