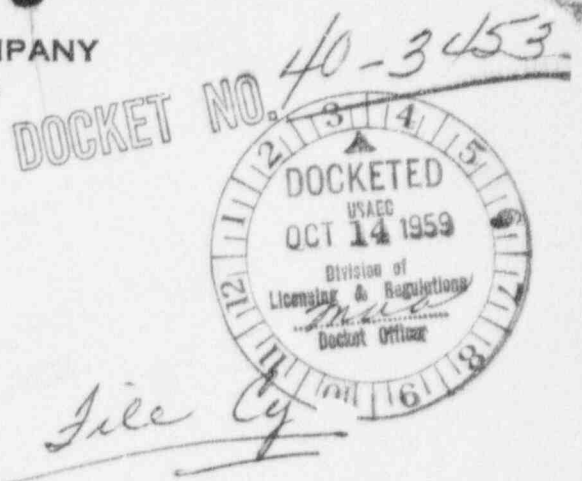


# URANIUM REDUCTION COMPANY

557 FIRST SECURITY BUILDING

SALT LAKE CITY 11, UTAH

October 7, 1959



Division of Licensing and Regulation,  
Atomic Energy Commission,  
Washington 25, D. C.

Dear Sirs:

Reference is made to the pending requests for an extension from April 1, 1962 to December 31, 1966, of the expiration date of the license (No. R-161) as amended issued under the Atomic Energy Act of 1954 to Uranium Reduction Company (hereinafter called the Company) and for a similar extension of the expiration date of the license (No. R-163) as amended issued under said Act to First Security Bank of Utah, N. A., as Trustee under the First Mortgage and Deed of Trust of the Company.

Modification No. 2 to the Contract (No. AT(05-1)-266) between the Atomic Energy Commission, the Company and said Trustee, extended the terminal date of said Contract from March 31, 1962 to December 31, 1966. In connection with the execution of said Modification, and consistently with the provisions thereof, the Company entered into a number of Custom Milling Agreements and Concentrate Purchase Agreements with owners of ore reserves, obligating the Company to make substantial payments to such owners periodically up to the end of 1966. The Company also hoped to effect an amendment of certain of the terms of its outstanding First Mortgage Bonds, including an extension of the maturity date of such Bonds from 1962 to 1966. Such an extension of the maturity date would reduce the periodic amortization payments required on the Bonds, and that and the other proposed amendments of the Bonds would assist in the financing of the Company's cash requirements, including the payments required under the above-mentioned obligations of the Company to such owners of ore reserves.

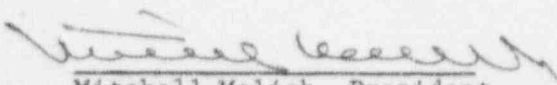
The institution which holds the Company's First Mortgage Bonds expressed its willingness to extend the maturity date of the Bonds to 1966 and to amend the Bonds in other desired respects, but it will not consent to such extension or amendments unless the Company and the Trustee shall have received extensions from 1962 to 1966 of their licenses under the Atomic Energy Act of 1954.

The Company requests that the above-mentioned extensions of the two licenses be granted, in order to make possible the proposed amendments of the terms of the Company's Bonds and to assist the Company in financing the obligations to mine owners which it has undertaken consistently with the modified AEC Contract.

Very truly yours,

URANIUM REDUCTION COMPANY

9612230086 591007  
PDR ADOCK 04003453  
C PDR

  
Mitchell Melich, President

Mr. James T. Ramey  
Executive Director  
Joint Committee on Atomic Energy  
Congress of the United States

Dear Mr. Ramey:

This will advise you that the Commission has today issued an order citing the Uranium Reduction Company of Montb, Utah for noncompliance with the Commission's regulations, "Standards for Protection Against Radiation," Part 20, Title 10, Code of Federal Regulations, and ordering them to submit a statement by August 1, 1959, setting forth the steps they will take to achieve correction. A copy of the order is enclosed.

This order is similar to the five uranium mill orders which were forwarded to you by our letter of May 25, 1959.

Sincerely yours,

General Manager

Enclosure:  
Copy of Order

CC: Chairman  
General Manager  
Cong. Liaison (2)  
OGC (2)  
OGC (Eason)  
INS (2)

DLR:RSB

Lane:hkm  
Rogers  
6-11-59

OFFICE ▶	DGC	DLR	Cong. Lias.	ACMA	BUM	GM
SURNAME ▶	TBC	HL Price	Ron			135/11
DATE ▶	6/11/59		7-10-59			7/13