



UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON 25, D.C.

Journal

IN REPLY REFER TO:
DLR:DFH
40-3453

JUN 4 - 1962

Uranium Reduction Company
P. O. Box 488
Moab, Utah

Attention: Mr. R. F. Hollis
Vice President and General Manager

Gentlemen:

As you know the uranium mills typically employ earth dam retention systems to control release to unrestricted areas of wastes which contain concentrations of radioactive material in excess of those permitted to be released by 10 CFR Part 20.

In order to provide assurance that appropriate steps are taken by all concerned in the event of a rupture in an earth dam retention system and the resulting release of the contained waste to unrestricted areas, we believe that the public health and safety requires that your source material license be modified by adding the following conditions:

"The licensee shall immediately notify the Director, Region IV, Division of Compliance, USABC, Denver, Colorado, by telephone and telegraph of any failure in an earth dam retention system which results in a release of radioactive material into unrestricted areas. This requirement is in addition to the requirements of 10 CFR 20."

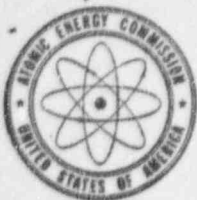
Accordingly, pursuant to the Atomic Energy Act of 1954, as amended, and the regulations of the Commission, you are hereby notified that we intend to modify your license as indicated above. This notice is sent to you in order that, prior to the institution of formal proceedings for modification of the license, you may have an opportunity to comment on this change. If you are willing to have this condition added to your license without the issuance of a formal order, please so advise us within thirty days from the date of this notice. If we do not receive your consent, an appropriate order will be issued for the modification of your license by the Atomic Energy Commission, in which event you will be offered the opportunity of a formal public hearing in the matter.

Sincerely yours,

RL Kih

Deputy Director
Division of Licensing and Regulation

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Doc. Rm.
Compl.*

Sincerely yours,

RL Kirt

DLR 5/29/62
DICTATED

APPROVED

Deputy Director
Division of Licensing and Regulation