

March 17, 1997

Westmoreland Coal Company
ATTN: Mr. Jerry Light
General Manager
Drawer A & B
Big Stone Gap, VA 24219

SUBJECT: COMPLIANCE WITH 10 CFR § 30.36

Dear Mr. Light:

We have received information from the United States Bankruptcy Court for the District of Colorado that Westmoreland Coal Company (Westmoreland), which is the holder of NRC License Number 45-21126-01, has filed a petition for reorganization under Chapter 11 of the Bankruptcy Code.

You are reminded that Westmoreland's filings under the Bankruptcy Code do not relieve Westmoreland of its obligations to comply with NRC requirements, including all license conditions. Your NRC license authorizes possession of devices containing licensed material at 311 Wood Avenue, Big Stone Gap, Virginia; the Transloader facility and the Bullitt Preparation facility at U.S. Route 23 and Virginia Route 68 near Appalachia, Virginia; the Bullitt Mine near Appalachia, Virginia; and the Holton Mine near Exeter, Virginia. You are also reminded that licensed radioactive material or facilities in which devices containing licensed materials are installed, may not be transferred to another person unless and until that person is licensed to possess the material.

By letter dated August 9, 1995, Westmoreland informed the NRC that it had ceased conducting the principal activities described in its NRC license. As a result of this notification, Amendment 7 was issued on October 16, 1995, to Westmoreland's NRC license authorizing storage of licensed material at the locations listed above. As Mr. Jerry D. Ennis of my staff discussed with Mr. Dennis Sturgill, Radiation Safety Officer for Westmoreland, 10 CFR 30.36 requires that Westmoreland take one of the following actions by August 1997:

- a. Amend its license to authorize use of the devices described in the license and resume operations, or
- b. Transfer all the radioactive material possessed under the license to a person authorized to receive it.

Pursuant to 10 CFR 30.32(b), in order for the Commission to determine whether your license should be modified or other appropriate action taken, you are required to submit to the Commission, within 25 days of the date of this letter, a description of your proposed actions for maintaining the safe storage of the licensed material or disposing of that material by transferring it to an authorized recipient.

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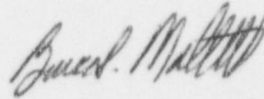
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Westmoreland Coal Company

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If you have any questions regarding this matter, please contact me at (404) 331-5514.

Sincerely,



Bruce S. Mallett, Director
Division of Nuclear Materials Safety

Docket No. 030-19815
License No. 45-21126-01

cc: Commonwealth of Virginia

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

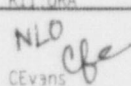
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