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Cleveland-Cliffs

Helping develop earth's resources to meet the world's needs.

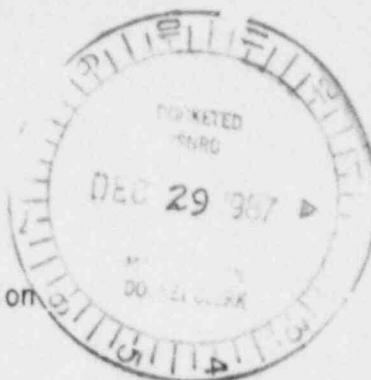
Western Division

RETURN ORIGINAL TO PDR, HQ.

818 Taugienbaugh Boulevard
Rifle, Colorado 81650-2730
Phone: 303-625-2445

December 22, 1987

Mr. Edward F. Hawkins, Chief
Licensing Branch 1
Uranium Recovery Field Office
Region IV
U.S. Nuclear Regulatory Commission
P.O. Box 25325
Denver, Colorado 80225



Re: Source Material License No. SUA-1352
Docket No. SUA-1352
Collins Draw Project

Dear Mr. Hawkins:

Thank you for your letter dated December 15, 1987 regarding the proposed transfer of process equipment and resins from the Collins Draw Project site. We seek your regulatory opinions and decisions on the following additional questions and concerns regarding the transfer.

Source material means: "(1) uranium or thorium or any combination thereof, in any physical or chemical form or (2) ores which contain by weight one-twentieth of one percent (0.05%) or more of: (i) uranium, (ii) thorium or (iii) any combination thereof" (10 CFR 20.3(a)(15) and 10 CFR 40.4(h)). The process equipment and the resins at the Collins Draw Project site contain chemical forms of uranium only. They do not contain thorium, and Cleveland-Cliffs is not authorized to mill conventionally mined uranium or thorium ores; therefore, definition No. 2 does not apply. Do you concur that uranium is the only source material at the Collins Draw Project site?

Pursuant to 10 CFR 40.4(a-1), the definition for byproduct material includes the discrete surface wastes resulting from solution extraction processes. As commonly defined, discrete means: constituting a separate thing, individual, distinct; such as evaporation pond residue. The process equipment and the resins are reusable and are not discrete surface wastes. All discrete wastes have been removed from the process equipment and the resins. Do you concur that the equipment and the resins do not contain byproduct material as defined? If the process equipment and resins are byproduct material or contain byproduct material, then can the process equipment and resins only be transferred to a facility with a byproduct materials license? Is the Homestake mining Company (Source Material License No. SUA-1471) authorized to receive byproduct material?

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C PDR

SEE NOT REQUIRED
Request for Info

DESIGNATED ORIGINAL

Certified By *Mary C. Hood*

88-0242

If the process equipment (not including the resins) contains less than 15 pounds of source material (uranium in any chemical form) and does not contain byproduct material (discrete wastes from solution extraction), is Cleveland-Cliffs authorized to transfer the process equipment to BGS Mining Corporation pursuant to a general license (10 CFR 40.22)? Certain resins contain more than 15 pounds of uranium and they could not be transferred to a general licensee.

Cleveland-Cliffs' source material license Condition No. 21 requires the disposal of all solid process radioactive residue and resin in a licensed uranium tailings disposal site. Considering that the resin is a reusable product and not a waste, will the NRC amend license Condition No. 21 in order to transfer the resin to a licensee for possible reuse and not require disposal? Can this be done administratively without an amendment application?

Your letter dated December 15, 1987, states that Cleveland-Cliffs "is responsible to deliver the material to a carrier for transport in accordance with appropriate DOT regulations to be delivered to an authorized recipient, the Homestake Mining Company." If Cleveland-Cliffs transfers the restricted equipment and resins to Homestake, is its responsibilities only to deliver the equipment and resins to a carrier or is Cleveland-Cliffs responsible for the equipment and resins in transit?

Homestake Mining Company's Source Material License No. SUA-1471, Amendment No. 2, that was provided to Cleveland-Cliffs by the NRC, has an expiration date of February 29, 1976. Is this a valid license for receipt of source material and/or byproduct material?

The Uranium Recovery Field Office issued Amendment No. 8 to Cleveland-Cliffs' Source Material License No. SUA-1352 on November 2, 1987. This amendment deleted the requirements for radiological monitoring. However, the amendment states that Cleveland-Cliffs will be required to verify employee exposure. Could you better define the requirements? Is TLD monitoring required?

It is our intent to sell the process equipment and resins to BGS Mining Corporation and transfer the restricted equipment and resins to an appropriately licensed party in early January 1988. Also, it is our intent to decrease Cleveland-Cliffs' liabilities to the extent possible during the transfer. Therefore, we would appreciate a response to this letter at your earliest possible convenience. In the interim, I will plan to phone you or Gary Konwinski tomorrow to discuss the expiration date on Homestake's license, Homestake's authorization to receive source and/or byproduct material; and amending license Condition No. 21, to authorize continued use of the resins.

Mr. Edward F. Hawkins

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December 22, 1987

We understand that this may not be a convenient time for rapid responses. We very much appreciate your assistance and consideration of this matter.

Sincerely,

Truman E. Louderback

Truman E. Louderback
Director of Environmental Affairs

TEL:ms

xc: Gary Konwinski, NRC ✓
G. D. Aho