

Heritage Minerals, Inc.

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October 24, 2000

Ms. Marie Miller
USNRC
Decommissioning & Laboratory Branch
Division of Nuclear Materials Safety
Region I
475 Allendale Road
King of Prussia, PA 19406-1415

040-08980

RE: HERITAGE MINERALS, INC. – SITE DECOMMISSIONING PLAN
LICENSE NO. SMB-1541

Dear Ms. Miller:

This letter is in response to your letter of September 20, 2000 requesting Heritage Minerals, Inc's (HMI) schedule for contract selection, decommissioning activities, final status surveys and license termination within 30 days. You also noted that, in accordance with 10 CFR40.42(h)(1), HMI's site decommissioning must be completed by October 19, 2001.

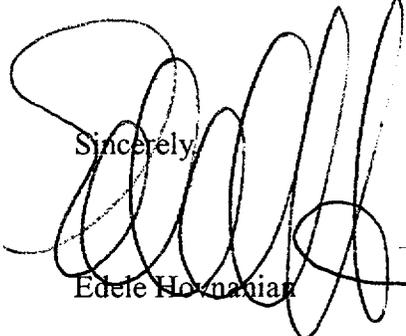
As John Lord indicated to Craig Gordon during the August 8, 2000 inspection at the HMI facility, the decommissioning contractor proposals are in the process of final evaluation. John and HMI's counsel, Anthony Thompson, are currently engaged in a detailed comparative cost analyses which likely will lead to additional questions for some contractors to clarify certain bid components. We hope to conclude this process and choose a contractor before the end of this year.

HMI is also awaiting receipt of an updated contract proposal to process the monazite feed material for uranium at International Uranium Corporation's (IUC) White Mesa Mill and subsequent disposal of post-processing wastes as 11e.(2) byproduct material. We will address this revised proposal as soon as we receive it. We note, however, that IUC's July 5, 2000 license amendment request to process HMI's monazite feed material is currently subject to a request for hearing in Docket No. 40-8681-MLA-8, ASLBP No. 00-782-08MLA (September 18, 2000), a potential source of delay over which HMI has no control.

Finally, I believe it would be premature to propose schedule for decommissioning activities, final status surveys and license termination until the contractor that will develop such schedules is finally selected and the status of the contract with IUC and its proposed license amendment is clarified. Counsel and John Lord will maintain contact with NRC to continually update our progress. Should you have any further questions, please call John Lord or Mr. Thompson.

With all best wishes.

Sincerely,



Edele Hovnanian

cc: A. J. Thompson, Esq.
Vincent Wildman, Asarco
John F. Lord