

Heritage Minerals, Inc.

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REGION I

December 15, 2000

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ONE HOVCHILD PLAZA
4000 ROUTE 66
TINTON FALLS, NJ 07753
(732) 922-6100 • FAX (732) 922-9544

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

RE: HERITAGE MINERALS, INC. – SITE DECOMMISSIONING PLAN

Dear Ms. Miller:

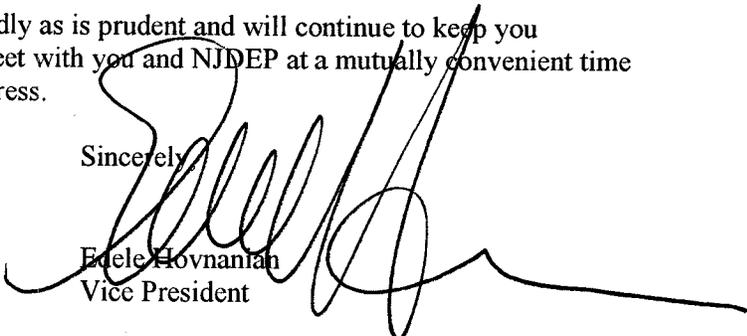
This letter is to update the status of Heritage Minerals, Inc.'s (HMI) decommissioning activities since my letter of October 24, 2000.

John Lord and HMI's Counsel, Anthony Thompson, have rigorously reviewed the five (5) contractor proposals for site cleanup and verification. Although we have a few questions that need clarification, a final decision on a contractor can be made as quickly as necessary. In part, we have not made a final decision because we are still examining the costs and benefits of different transportation proposals on a site cleanup contractor, since transportation of the material appears to be the largest, single cost component of our current decommissioning options. We are actively pursuing some additional information before we can make a final decision on this critical cost factor.

We have received a draft processing and disposal contract from IUC, as well as a draft disposal contract from Envirocare of Utah. We are actively considering these two options. With respect to the hearing status of IUC's amendment request, we understand that it may be resolved shortly and that any potential proceeding likely should not unnecessarily delay execution of a contract with IUC within the relevant timeframes for site decommissioning, should we choose to contract with them.

We will continue to move forward as rapidly as is prudent and will continue to keep you informed of our progress. We will be happy to meet with you and NJDEP at a mutually convenient time in the next two months to further discuss our progress.

Sincerely,


Edele Hovnanian
Vice President

EH:vg

cc: A. J. Thompson, Esq.
Craig Gordeon, USNRC
Vincent Wildman, ASARCO
John F. Lord, HMI

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