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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

September 28, 1999

Mr. John Daniels  
Project Manager  
Molycorp, Inc.  
300 Caldwell Avenue  
Washington, PA 15301

SUBJECT: ISSUANCE OF AMENDMENT NO. 3 TO SMB-1393 (TAC L51886)

Dear Mr. Daniels:

I am responding to your letters dated April 13 and 20, 1999, that forwarded a schedule for developing a revised Site Decommissioning Plan (SDP) and Environmental Report (ER) and requested that the U.S. Nuclear Regulatory Commission (NRC) amend Source Material License SMB-1393, revising Molycorp's submission date for the SDP and revised ER to April 16, 2000.

We have reviewed the information in the aforementioned letters, and have concluded that the information provided by Molycorp is adequate to approve your license amendment request. Pursuant to 10 CFR 40.42(g)(2), we have determined that the revised schedule is warranted for an effective decommissioning and presents no undue risk to the public health and safety and is otherwise in the public interest. Amendment No. 3 to SMB-1393 (Enclosure), replaces Condition 14.D. for the requirement to submit the SDP and revised ER for the Washington, Pennsylvania facility by April 16, 2000. All other conditions of the license will remain the same.

We have also determined that the request concerns an administrative amendment and falls under the provisions for a categorical exclusion pursuant to NRC regulations at 10 CFR 51.22(c)(10), and that the approval of this request would not involve any changes in the scope or types of operations currently authorized under the license. Therefore, neither an environmental impact statement nor an environmental assessment is required for this proposed action.

**NRC FILE CENTER COPY**

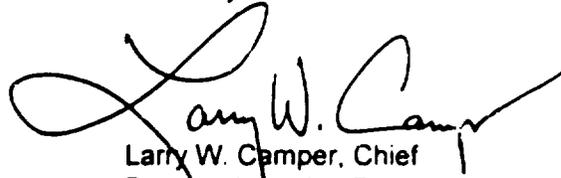
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J. Daniels

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If you have any questions concerning this amendment, please contact Leroy Person at 301-415-6701.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry W. Camper". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

Larry W. Camper, Chief  
Decommissioning Branch  
Division of Waste Management  
Office of Nuclear Material Safety  
and Safeguards

Docket No. 040-08778  
License No. SMB-1393

Enclosure. License Amendment 3

cc. Molycorp, Washington Dist. List

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ENCLOSURE

**MATERIALS LICENSE**

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee		3. License Number	<b>SMB-1393 is amended In its entirety to read as follows:</b>
1. <b>Molycorp, Inc.</b>		4. Expiration Date	<b>September 1, 1997</b>
2. <b>1201 West 5<sup>th</sup> Street, P.O. Box 54945 Los Angeles, California 90054</b>		5. Docket or Reference No.	<b>040-08778</b>

6. Byproduct, Source, and/or Special Nuclear Material	7. Chemical and/or Physical Form	8. Maximum Amount that Licensee May Possess at Any One Time Under This License
A. Natural Uranium	A. Slags and Contaminated Soils	A. 11 x 10 <sup>4</sup> kg

9. Authorized Use:

- A. For storage, transfer, and decommissioning in accordance with an approved Site Decommissioning Plan.

**CONDITIONS**

- 10. Licensed material shall be stored only at the licensee's facilities located at Caldwell and Green Streets, Washington, Pennsylvania.
- 11. The licensee shall comply with the provisions of Title 10, Chapter 1, Code of Federal Regulations, Part 19, "Notices, Instructions, and Reports to Workers; Inspections and Investigations," and Part 20, "Standards for Protection Against Radiation."
- 12. Licensed material shall be used by, or under the supervision of George W. Dawes.
- 13. Except as specifically provided otherwise by this license, the licensee shall possess and use licensed material described in Items 6, 7, and 8 of this license in accordance with statements, representations, and procedures contained in letters dated November 27, 1973, and January 30, 1974, application dated December 26, 1974, and letters dated July 13, 1976, July 11, 1980, November 19, 1980, August 19, 1992, September 21, 1992, and September 25, 1992. The Nuclear Regulatory Commission's regulations shall govern the licensee's statements in applications or letters, unless the statements are more restrictive than the regulations.

MATERIALS LICENSE  
SUPPLEMENTARY SHEET

License number

SMB-1393

Docket or Reference number

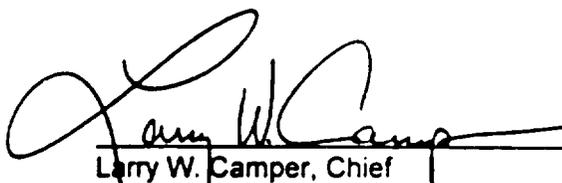
040-08778

Amendment No. 3

## 14. Schedule for Decommissioning Site:

- A. Submittal of the Site Characterization Report (SCP) - Molycorp, Inc. will submit a SCP to the NRC by November 15, 1992.
- B. Submittal of Decommissioning Alternatives and Potential Costs - Molycorp, Inc. will provide the NRC with a list and analysis of potential decommissioning and disposal alternatives by March 1, 1993. The cost of each alternative will be estimated to the best of Molycorp's ability at the time of submittal. A revised version of the report will be included in the Site Decommissioning Plan (SDP).
- C. Submittal of Site Characterization Report (SCR) - Molycorp, Inc. will provide a report detailing the site characterization results to the NRC no later than eight (8) months after the SCP has been approved in writing by the NRC staff.
- D. Submittal of Site Decommissioning Plan (SDP) - Molycorp, Inc. will submit a SDP to the NRC no later than April 16, 2000, after the initial submittal of a SCR (July 20, 1995). If on site disposal of radioactive waste under conditions of restricted use is proposed, an environmental report will be submitted by the same date. The SDP will include a decommissioning funding plan (DFP), in accordance with 10 CFR 40.36(a), to cover the estimated cost for the preferred decommissioning approach. The licensee is hereby granted a schedular exemption from the requirement of 10 CFR 40.36(c)(2) for the submittal of a DFP until such time as the SDP is submitted.
- E. Completion of Decommissioning - Molycorp, Inc. will have completed site clean up and disposal of the source material in accordance with the approved SDP. Molycorp will have notified the NRC in writing of this completion of decommissioning activities within 24 months of NRC approval of Molycorp's SDP.

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

Dated: September 28, 1995Larry W. Camper, Chief  
Decommissioning Branch  
Division of Waste Management  
Office of Nuclear Material Safety  
and Safeguards