

May 7, 1986

Nuclear Regulatory Commission  
Washington, D.C. 20555

Attention: Director of Nuclear Reactor Regulation  
Director of Nuclear Materials Safety and  
Safeguards  
Office of International Programs

Gentlemen:

General Atomic Technologies Corporation ("GATC"), a corporation organized under the laws of the State of Wyoming, hereby seeks the consent of the Nuclear Regulatory Commission ("NRC") pursuant to the Atomic Energy Act of 1954 to a transfer of control of GA Technologies Inc. ("GA"), a corporation organized under the laws of the State of California and a wholly-owned subsidiary of Chevron U.S.A. Inc. ("CUSA"). CUSA is a wholly-owned subsidiary of Chevron Corporation ("Chevron"). GA is the present holder of the licenses listed in Appendix A hereto and is the present applicant on the license applications also listed in Appendix A. GATC intends to enter into an acquisition agreement pursuant to which, subject to the approval of the NRC, a subsidiary of GATC will be merged into GA, with GA surviving (the "Merger"). As a result of the Merger, all of the outstanding stock of GA will be owned by GATC.

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GA will continue to be operated in the same manner as it has been operated; nothing will change in the manner in which GA, as the licensee, conducts its operations and discharges its responsibilities under the licenses. No changes are anticipated in the operating and management personnel or corporate officers of GA; the only changes anticipated are in the ownership of the stock of GA and the directors of GA as set forth below and in the ownership of the buildings and land in which GA conducts its licensed activities.

Control of GA and the real estate on which it operates its business will be transferred to James N. Blue and his brother Linden S. Blue. James N. Blue is a resident of Englewood, Colorado and is President and Chairman of the Board of Denver-based Cordillera Corporation ("Cordillera") which has interest in real estate, oil and gas and natural gas utilities. Linden S. Blue, a resident of Aspen, Colorado, was formerly President of Beach Aircraft. He has various business interests which include substantial ownership in Cordillera.

The capital stock of GATC is owned 79.5% by Tenaya Corporation, a corporation organized under the laws of the state of Delaware, 20% by Linden S. Blue, a United States citizen and .5% by James N. Blue, a United States citizen. Tenaya is a holding company for investments of the family of

James N. Blue. Mr. Blue owns 60.6% of the voting stock of Tenaya, his wife Anne P. Blue, a citizen of the Federal Republic of Germany, owns 18.2%, and 21.2% is held in trust for the benefit of their children. GATC is not owned, controlled or dominated by an alien, foreign corporation or a foreign government. Further information concerning the management of GATC is provided in Appendix B.

In order to facilitate the financing of the transactions described herein, the real estate upon which GA operates its business will be sold separately from GA. CUSA currently owns the land under the buildings in which GA operates its business while GA owns such buildings. Prior to the transfer of control of GA by means of the Merger, Chevron Land and Development Company ("CL&D"), a subsidiary of Chevron and its land development arm, will acquire from CUSA certain real property including the land under the buildings. CL&D will also acquire the buildings from GA. CL&D will then sell the buildings (except for Building 11 which will be retained by CL&D) and certain of such underlying land and lease the remaining underlying land to real estate corporations controlled by James N. Blue and Linden S. Blue. The portion of the leased land actually used by GA in its operations will be purchased by such real estate corporations upon completion of a subdivision which will create a separate parcel or

parcels for such land. Upon the closing of the purchase of such land, the land lease will terminate and CL&D will retain ownership of the remainder of the previously leased land. It is anticipated that the subdivision may take some years to complete. The real estate companies controlled by James N. Blue and Linden S. Blue will in turn lease the land and buildings to GA. The leases for buildings and land essential for performing NRC licensed activities will be for a term exceeding the expiration dates of the NRC licenses held by GA. The lease agreements covering the land and buildings will contain provisions prohibiting the real estate company lessors from exercising, directly or indirectly, any control over GA, and such companies will accept the limitations set forth in 10 C.F.R. § 50.81 entitled "Creditor Regulations" in connection with the lease transactions. For additional information on the real estate transactions, see Appendix C and the maps attached thereto.

GA currently has numerous contracts with the Department of Defense and the Department of Energy as well as many other contracts with a number of foreign and domestic corporations and other governmental entities. These contracts will remain in place following the Merger and will be the basis of GA's ability to finance its on-going operations and to comply with the safety and other requirements of its NRC licenses.

In order to assist the NRC in assessing the financial capability of GA after giving effect to the proposed transactions described above in relation to GA's obligation to clean up its licensed facilities upon decommissioning, GATC has prepared an adjusted balance sheet for GA which is annexed as Appendix D. GA's historical balance sheet (shown in the left hand column of Appendix D) has been adjusted to reflect GA's disposal of the buildings at their carrying values and the incurrence by GA of long term debt of \$10,000,000 in connection with the Merger transferring control of GA to GATC.

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GA, however, is the beneficiary of a reimbursement obligation of Valley Pines Associates ("Valley Pines") with respect to these cleanup costs. The background of Valley Pines' obligation for the Fort St. Vrain Project is as

follows. Under the 1982 reorganization agreements previously reported to the NRC, Valley Pines (then named General Atomic Company) retained certain of its businesses, assets and liabilities, including rights and obligations arising out of the Fort St. Vrain Project. Valley Pines entered into an agreement with GA at that time under which GA has fabricated fuel for Fort St. Vrain on Valley Pines' behalf. Among the obligations retained by Valley Pines under these agreements is the obligation to pay GA the costs of decommissioning the fuel fabrication facility if the facility is shut down by GA when the obligation of Valley Pines to supply fuel to Fort St. Vrain terminates. Valley Pines remains a general partnership of CUSA and Scallop Corporation (a Royal Dutch/Shell Group company formerly named Scallop Nuclear Inc.), and accordingly has resources that are more than sufficient to fulfill its payment obligations with respect to the Fort St. Vrain Project.

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A supporting letter from GA accompanies this application.

After the NRC's consent is given and when other conditions precedent are fulfilled, the transaction described above would be consummated upon a closing date that is not yet fixed. We will immediately notify the NRC of the closing when it occurs.

GENERAL ATOMIC TECHNOLOGIES  
CORPORATION

By: 



STATE OF COLORADO )  
 )  
COUNTY OF DENVER )

On this 7th day of May 1986, before  
me, Cheryl O'Brien, a Notary Public in and for the State  
of Colorado personally appeared James N. Blue, personally  
known to me to be the person who executed the within  
instrument as President of the corporation therein named  
and acknowledged to me that the corporation executed it.

Cheryl O'Brien  
Notary Public

5031 S. Uister Pkwy #410  
Denver, Co. 80224

My Commission Expires 4-13-90

APPENDIX A  
FACILITY AND MATERIALS LICENSES

Type License	License Number	Expiration Date
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Reactors

TRIGA MARK I	R-38 - Docket 50-89	5/2/98
TRIGA MARK F	R-67 - Docket 50-163	7/1/2000

Materials

Special Nuclear Materials SNM-696 - Docket 70-734 12/31/89

(Byproduct manufacturing and distribution)

Byproduct Devices	04-14395-01E	6/30/85 Renewal Submitted 5/31/85
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SHIPPING CONTAINERS

Container Model Number	Certificate of Compliance	Expiration Date
FSV-1	6346	9/30/85*
FSV-2	6745	2/28/90
FSV-3	6347	4/30/87
FPD-1	9057	9/30/90
RG-1	6703	5/31/90
TRIGA-1	9034	2/28/90
TRIGA-2	9037	2/28/90

\*Public Service of Colorado has submitted a new application;  
GA will become a registered user.

EXPORT LICENSES  
(SNM, Reactors, Components)

<u>Destination</u>	<u>License Number</u>	<u>Expiration Date</u>
Austria	XCOMO434	11/1/88
Austria	XSNMO1711	11/1/90
Bangladesh	XR-126	12/31/90
Bangladesh	XSNM1669	10/31/86
Brazil	XCOMO659	1/31/87
Canada	XCOMO134	1/1/89
Embassy of Canada	XCOMO529	7/11/91
Indonesia (Badung & Yogyakarta)	XCOMO732	4/1/88
Indonesia (Badung & Yogyakarta)	XSNMO1666	6/30/90
Indonesia	XSNM2003	6/30/87
Italy (Rome & Pavia)	XSNM01728	12/30/90
Japan	XCOMO277	10/30/86
Japan (Musashi)	XSNMO2099	6/30/87
Korea	XCOMO288	12/31/89
Malaysia	XSNM-1123	6/30/86
Malaysia	XR-125	12/31/88
Morocco	XSNMO1442	12/1/86

Morocco	XR-132	12/1/86
Philippines	XSNMO1933	12/31/89
Taiwan	XSNMO1598	7/1/89
Thailand	XCOMO778	7/1/89
Thailand	XSNM-2052	10/31/89
Turkey (Istanbul Tech. U)	XCOMO139	10/1/89
United Kingdom (ICI)	XSNMO1541	9/1/90
West Germany (KFA)	XSNMO1360	10/1/90
West Germany (Munich, Frankfurt, Mainz, Heidelberg)	XSNMO1710	5/1/88
West Germany (Munich, Frankfurt, Mainz, Heidelberg)	XCOMO429	6/1/88
West Germany (NUKEM)	XSNM-2183	12/31/86
Yugoslavia	XSNM1977	4/30/86

IMPORT LICENSE

Origin: West Germany	ISNM-1652	10/1/88
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NRC EXPORT LICENSES PENDING

Algeria	Docket: XR-143
Algeria	Docket: XSNMO2059
Romania	Docket: XCOMO503
Turkey	Docket: XSNMO2063

## APPENDIX B

General Atomic Technologies Corporation  
c/o James N. Blue  
5031 South Ulster Parkway  
Suite 410  
Denver, Colorado 80237

- A. The business activities of GA Technologies Inc. ("GA") will be unchanged. They include performing, applying, providing, contracting for, and selling research and development; technical studies; component and systems engineering, design, manufacturing, fabrication and installation; scientific consulting, engineering, and related services in energy conversion and other technologies.
- B. GATC is incorporated under the laws of the State of Wyoming. It was formed for the purpose of acquiring GA. The names, addresses, and citizenship of its directors and of its principal officers are as follows:

<u>Name</u>	<u>Citizenship</u>	<u>Title</u>	<u>Address</u>
James N. Blue	USA	President and Director	5031 South Ulster Parkway Suite 410 Denver, Colorado 80237
Linden S. Blue	USA	Vice President and Director	5031 South Ulster Parkway Suite 410 Denver, Colorado 80237
John E. Jones	USA	Secretary and Treasurer	5031 South Ulster Parkway Suite 410 Denver, Colorado 80237

- C. After the completion of GATC's acquisition of GA, the Board of Directors of GA will consist of James N. Blue, Linden S. Blue and one or more of the members of the Board of Advisory Directors listed below. The Board of Advisory Directors of GA will advise the management of GA and will include James N. Blue, Linden S. Blue, John E. Jones and the following:

<u>Name</u>	<u>Citizenship</u>	<u>Position</u>	<u>Address</u>
Dr. Kerry D. Dance	USA	President, GA Technologies Inc.	10955 John T. Hopkins Dr. San Diego, CA 92121
Dr. Tihiro Ohkawa	Japan	Executive Vice President, GA Technologies Inc.	10955 John T. Hopkins Dr. San Diego, CA 92121
Gen. Alexander Haig	USA	Former Secretary of State	Suite 800 1155 15th Street, N.W. Washington, D.C. 20005
Gen. John Vessey	USA	Former Chairman Joint Chiefs of Staff	Star Route Box 134 Harrison, MN 56450
Simon Ramo	USA	Former Chairman TRW, Inc.	No. 1 Space Park Redondo Beach, CA 90278
William Gould	USA	Former Chairman Southern California Edison	P.O. Box 800 Rose Mead, CA 91770
Dr. Harold Agnew	USA	Former President GA Technologies Inc.	322 Punta Baja Drive Folano Beach, CA 92075
Reau Graves, Jr.	USA	Vice President Cordillera Corporation	5031 S. Ulster Parkway Suite 410 Denver, Colorado 80237

## APPENDIX C

In transactions that will occur simultaneously with the Merger, the real estate upon which GA conducts its business will be transferred to four newly formed corporations that will be controlled by James N. Blue and Linden S. Blue.

The licensed facilities of GA are located in San Diego, California on two parcels of land currently owned by CUSA and designated Parcel 1 and Parcel 2. See the maps attached hereto. The equitable interest in the improvements on the land is currently owned by GA. Prior to the Merger, the land and the improvements will be transferred to CL&D. CL&D will then either transfer or lease the San Diego land and improvements in related transactions to Lindbergh Properties, Inc. ("Lindbergh"), Genesee Properties, Inc. ("Genesee"), Sorrento Valley Real Estate, Inc. ("Sorrento") and Hopkins Properties, Inc. ("Hopkins"), all of which are Wyoming corporations. Cordillera owns 79% of the voting stock of Lindbergh, Genesee, Sorrento and Hopkins, and Plateau Resources, Inc. an Idaho Corporation ("Plateau"), owns the remaining 21%. James N. Blue and Linden S. Blue directly or indirectly own 70% of Cordillera. James N. Blue owns two-thirds of the voting stock of Plateau and the remaining one-third is owned by Daniel Hill, a Canadian citizen.

Harvard International Resources Ltd., a Canadian corporation ("Harvard"), has been issued non-voting, nonconvertible preferred stock of Hopkins, for which it paid \$10 million as consideration. Through a combination of common stock and non-voting preferred stock, two-thirds of the equity of Harvard is owned by Cordillera and James N. Blue while a majority of the voting stock is held by Harvard Developments Limited, a Canadian corporation controlled by Fred Hill, a Canadian citizen, and by Paul Hill, a Canadian citizen. Paul Hill and Daniel Hill are sons of Fred Hill. The preferred stock of Hopkins that is held by Harvard is not convertible to voting stock; there will be no circumstances under which Harvard will control Hopkins.

CL&D will sell the land in Parcel 2 to Lindbergh. CL&D will also grant a 99-year ground lease on Parcel 1 to Lindbergh, with Genesee and Hopkins having an obligation to purchase a 66-acre portion of that land upon approval of an appropriate subdivision thereof. CL&D will retain the remainder of Parcel 1, including Building 11, after the subdivision. Hopkins will purchase Building 21 and Building 23 on Parcel 1 and Sorrento will purchase Building 37 on Parcel 2. The remainder of the buildings will be purchased by

Genesee. All of the purchased buildings on both parcels will be leased to GA. All of the leases for buildings essential for performing NRC licensed activities will extend beyond the license terms and will contain conditions which prohibit any of the lessors from controlling licensed activities.



Letterhead of GA Technologies Inc.

April \_\_, 1986

Nuclear Regulatory Commission  
Washington, D.C. 20555

Gentlemen:

Pursuant to NRC's regulations and practices, this is to assure you that GA Technologies Inc., consents to the filing by General Atomic Technologies Corporation of an application for NRC's consent, to the transfer of control of GA Technologies Inc. to General Atomic Technologies Corporation.

Very truly yours,

Signature

Title

**GA TECHNOLOGIES INC.**  
**ADJUSTED BALANCE SHEET**  
**(\$000)**

**NOTES:**

- (1) TO ADJUST FOR DISPOSITION OF BUILDINGS (NET EFFECT OF WHICH IS EQUIVALENT TO A DIVIDEND), GA'S ASSET AND EQUITY ACCOUNTS ARE REDUCED BY THE CARRYING VALUE OF THE BUILDINGS.
- (2) TO ADJUST FOR THE INCURRING OF LONG TERM DEBT.
- (3) TO ADJUST FOR THE BUYOUT OF CHEVRON.

**COMMENTS:**

- (A) THE PURPOSE OF THIS BALANCE SHEET IS TO REFLECT ON AN ADJUSTED BASIS THE DISPOSAL OF THE BUILDINGS, THE INCURRING OF LONG TERM DEBT AND THE BUYOUT OF THE CHEVRON INTEREST.
- (B) THE ABOVE ADJUSTED BALANCE SHEET DOES NOT REFLECT ANY ENTRIES WHICH WOULD BE REQUIRED UNDER THE PURCHASE METHOD OF ACCOUNTING.
- (C) THIS DOES NOT REFLECT AN ACCOUNTING CHARGE FOR THE \$7.7 MILLION PRESENT VALUE OF THE NON-CASH COST OF AN INCENTIVE EARLY RETIREMENT PROGRAM. THE ACTUAL COST WILL BE BORNE BY A PENSION PLAN WITH ADEQUATE FUNDS FOR THE PURPOSE.

# APPENDIX D

## GA TECHNOLOGIES INC. ADJUSTED BALANCE SHEET (\$000)

ASSETS	ACTUAL BALANCE 2/28/86 (UNAUDITED)	ADJUSTMENTS		ADJUSTED BALANCE 2/28/86
		DR	CR	
CASH & MARKETABLE SEC	10,514	(2) 10,000	(3) 10,000	10,514
ACCTS REC-AFFILIATED	730			730
ACCTS REC-BILLED	15,902			15,902
ACCTS REC-UNBILLED	19,968			19,968
INVENTORIES	7,676			7,676
PREPAID EXPENSES	388			388
<b>TOTAL CURRENT ASSETS</b>	<b>55,178</b>	<b>10,000</b>	<b>10,000</b>	<b>55,178</b>
INVESTMENTS	241			241
LONG-TERM RECEIVABLE	7,365			7,365
NET PROPERTY, PLANT, & EQUIP	24,294	(1)	9,774	14,520
<b>TOTAL ASSETS</b>	<b>87,078</b>	<b>10,000</b>	<b>19,774</b>	<b>77,304</b>
<b>LIABILITIES &amp; STOCKHOLDER'S EQUITY:</b>				
ACCTS PAYABLE-TRADE	4,792			4,792
EMPLOYEE COMPENSATION & BEN	10,325			10,325
CUSTOMER ADVANCES	17,899			17,899
ACCRUED LIAB:				
SUBCONTRACT	1,029			1,029
OTHER	7,326			7,326
<b>TOTAL CURRENT LIAB</b>	<b>41,371</b>	<b>0</b>	<b>0</b>	<b>41,371</b>
OTHER LONG-TERM LIAB	4,267	(2)	10,000	14,267
<b>TOTAL LIABILITIES</b>	<b>\$45,638</b>	<b>0</b>	<b>10,000</b>	<b>55,638</b>
STOCKHOLDER'S EQUITY	41,440	(1) 9,774		21,666
		(3) 10,000		
<b>TOTAL LIAB &amp; STKHLDR' EO</b>	<b>87,078</b>	<b>19,774</b>	<b>10,000</b>	<b>77,304</b>

THE ATTACHED NOTES AND DISCLOSURES ARE AN INTEGRAL  
PART OF THE ABOVE ADJUSTED BALANCE SHEET.

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Nuclear Regulatory Commission  
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GENERAL ATOMIC TECHNOLOGIES  
CORPORATION

By 

STATE OF COLORADO   )  
                              )  
COUNTY OF DENVER    )

On this 7th day of May 1986, before  
me, Cheryl O'Brien, a Notary Public in and for the State  
of Colorado personally appeared James N. Blue, personally  
known to me to be the person who executed the within  
instrument as President of the corporation therein named  
and acknowledged to me that the corporation executed it.

Cheryl O'Brien  
Notary Public  
5031 S. USTER PKWY # 410  
DENVER, CO. 80224

MY COMMISSION EXPIRES 4-13-90

APPENDIX A  
FACILITY AND MATERIALS LICENSES

Type License	License Number	Expiration Date
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Reactors

TRIGA MARK I	R-38 - Docket 50-89	5/2/98
TRIGA MARK F	R-67 - Docket 50-163	7/1/2000

Materials

Special Nuclear Materials SNM-696 - Docket 70-734 12/31/89

(Byproduct manufacturing and distribution)

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TRIGA-1	9034	2/28/90
TRIGA-2	9037	2/28/90

\*Public Service of Colorado has submitted a new application;  
GA will become a registered user.

EXPORT LICENSES  
(SNM, Reactors, Components)

<u>Destination</u>	<u>License Number</u>	<u>Expiration Date</u>
Austria	XCOMO434	11/1/88
Austria	XSNMO1711	11/1/90
Bangladesh	XR-126	12/31/90
Bangladesh	XSNM1669	10/31/86
Brazil	XCOMO659	1/31/87
Canada	XCOMO134	1/1/89
Embassy of Canada	XCOMO529	7/11/91
Indonesia (Badung & Yogyakarta)	XCOMO732	4/1/88
Indonesia (Badung & Yogyakarta)	XSNMO1666	6/30/90
Indonesia	XSNM2003	6/30/87
Italy (Rome & Pavia)	XSNM01728	12/30/90
Japan	XCOMO277	10/30/86
Japan (Musashi)	XSNMO2099	6/30/87
Korea	XCOMO288	12/31/89
Malaysia	XSNM-1123	6/30/86
Malaysia	XR-125	12/31/88
Morocco	XSNMO1442	12/1/86

In order to assist the NRC in assessing the financial capability of GA after giving effect to the proposed transactions described above in relation to GA's obligation to clean up its licensed facilities upon decommissioning, GATC has prepared an adjusted balance sheet for GA which is annexed as Appendix D. GA's historical balance sheet (shown in the left hand column of Appendix D) has been adjusted to reflect GA's disposal of the buildings at their carrying values and the incurrence by GA of long term debt of \$10,000,000 in connection with the Merger transferring control of GA to GATC.

GATC has made an investigation of the decommissioning costs which GA will incur if and when it decommissions its licensed operations and returns the buildings and land in which they are conducted to unrestricted use. The facility which will cost the most to clean up is the high enriched nuclear fuel fabrication facility located in San Diego and used for the benefit of the Fort St. Vrain Project. GA estimates that this facility will cost between \$5,000,000 and \$10,000,000 to clean up when it is decommissioned--an event currently scheduled to occur in 1992.

GA, however, is the beneficiary of a reimbursement obligation of Valley Pines Associates ("Valley Pines") with respect to these cleanup costs. The background of Valley Pines' obligation for the Fort St. Vrain Project is as

follows. Under the 1982 reorganization agreements previously reported to the NRC, Valley Pines (then named General Atomic Company) retained certain of its businesses, assets and liabilities, including rights and obligations arising out of the Fort St. Vrain Project. Valley Pines entered into an agreement with GA at that time under which GA has fabricated fuel for Fort St. Vrain on Valley Pines' behalf. Among the obligations retained by Valley Pines under these agreements is the obligation to pay GA the costs of decommissioning the fuel fabrication facility if the facility is shut down by GA when the obligation of Valley Pines to supply fuel to Fort St. Vrain terminates. Valley Pines remains a general partnership of CUSA and Scallop Corporation (a Royal Dutch/Shell Group company formerly named Scallop Nuclear Inc.), and accordingly has resources that are more than sufficient to fulfill its payment obligations with respect to the Fort St. Vrain Project.

The remaining NRC licensed activities of GA are the hot cell, two Triga research reactors and a facility for manufacturing low enriched nuclear fuel. In 1979 the then license holder, General Atomic Company, filed a Decommissioning Plan with the NRC with respect to such facilities. Table 5-1 of the Plan sets forth the then estimated clean up costs. GA estimates that the decommissioning costs for these facilities at today's prices



are as follows: hot cell-\$1,000,000-\$3,000,000; two Triga reactors-\$2,000,000; and the low enriched nuclear fuel fabrication facility-\$300,000. The \$3,300,000-\$5,300,000 cost of decommissioning these facilities is comfortably within GA's financial capability, and approximately one-half of such costs are expected to be recovered under the terms of on-going Department of Energy contracts. GA will confirm to the NRC its commitment to clean up all of its licensed facilities upon decommissioning.

In summary, the Merger will effect a change of ownership but will not affect the licensed activities of GA. Sister entities of GA will own or control the real property and own the buildings in which licensed activities are conducted, and GA will own all of the personalty and lease all of the realty and buildings related to the licensed activities.

GATC hereby agrees that it will not permit any previously unauthorized individual to have access to restricted data until the Civil Service Commission shall have made an investigation and report to the NRC on the character, associations, and loyalty of such individual, and until the NRC shall have determined that permitting such person to have access to restricted data will not endanger the common defense and security.

A supporting letter from GA accompanies this application.

After the NRC's consent is given and when other conditions precedent are fulfilled, the transaction described above would be consummated upon a closing date that is not yet fixed. We will immediately notify the NRC of the closing when it occurs.

GENERAL ATOMIC TECHNOLOGIES  
CORPORATION

By 

STATE OF COLORADO )  
 )  
COUNTY OF DENVER )

On this 7th day of May 1986, before  
me, Cheryl O'Brien, a Notary Public in and for the State  
of Colorado personally appeared James N. Blue, personally  
known to me to be the person who executed the within  
instrument as President of the corporation therein named  
and acknowledged to me that the corporation executed it.

Cheryl O'Brien  
Notary Public  
5031 S. USTER PKWY #410  
DENVER, CO. 80224

MY COMMISSION EXPIRES 4-13-90

APPENDIX A  
FACILITY AND MATERIALS LICENSES

Type License	License Number	Expiration Date
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Reactors

TRIGA MARK I	R-38 - Docket 50-89	5/2/98
TRIGA MARK F	R-67 - Docket 50-163	7/1/2000

Materials

Special Nuclear Materials SNM-696 - Docket 70-734 12/31/89

(Byproduct manufacturing and distribution)

Byproduct Devices	04-14395-01E	6/30/85 Renewal Submitted 5/31/85
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SHIPPING CONTAINERS

Container Model Number	Certificate of Compliance	Expiration Date
FSV-1	6346	9/30/85*
FSV-2	6745	2/28/90
FSV-3	6347	4/30/87
FPD-1	9057	9/30/90
RG-1	6703	5/31/90
TRIGA-1	9034	2/28/90
TRIGA-2	9037	2/28/90

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(SNM, Reactors, Components)

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Morocco	XSNMO1442	12/1/86

Morocco	XR-132	12/1/86
Philippines	XSNMO1933	12/31/89
Taiwan	XSNMO1598	7/1/89
Thailand	XCOMO778	7/1/89
Thailand	XSNM-2052	10/31/89
Turkey (Istanbul Tech. U)	XCOMO139	10/1/89
United Kingdom (ICI)	XSNMO1541	9/1/90
West Germany (KFA)	XSNMO1360	10/1/90
West Germany (Munich, Frankfurt, Mainz, Heidelberg)	XSNMO1710	5/1/88
West Germany (Munich, Frankfurt, Mainz, Heidelberg)	XCOMO429	6/1/88
West Germany (NUKEM)	XSNM-2183	12/31/86
Yugoslavia	XSNM1977	4/30/86

IMPORT LICENSE

Origin: West Germany	ISNM-1652	10/1/88
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NRC EXPORT LICENSES PENDING

Algeria	Docket: XR-143
Algeria	Docket: XSNMO2059
Romania	Docket: XCOMO503
Turkey	Docket: XSNMO2063

## APPENDIX B

General Atomic Technologies Corporation  
c/o James N. Blue  
5031 South Ulster Parkway  
Suite 410  
Denver, Colorado 80237

- A. The business activities of GA Technologies Inc. ("GA") will be unchanged. They include performing, applying, providing, contracting for, and selling research and development; technical studies; component and systems engineering, design, manufacturing, fabrication and installation; scientific consulting, engineering, and related services in energy conversion and other technologies.
- B. GATC is incorporated under the laws of the State of Wyoming. It was formed for the purpose of acquiring GA. The names, addresses, and citizenship of its directors and of its principal officers are as follows:

<u>Name</u>	<u>Citizenship</u>	<u>Title</u>	<u>Address</u>
James N. Blue	USA	President and Director	5031 South Ulster Parkway Suite 410 Denver, Colorado 80237
Linden S. Blue	USA	Vice President and Director	5031 South Ulster Parkway Suite 410 Denver, Colorado 80237
John E. Jones	USA	Secretary and Treasurer	5031 South Ulster Parkway Suite 410 Denver, Colorado 80237

- C. After the completion of GATC's acquisition of GA, the Board of Directors of GA will consist of James N. Blue, Linden S. Blue and one or more of the members of the Board of Advisory Directors listed below. The Board of Advisory Directors of GA will advise the management of GA and will include James N. Blue, Linden S. Blue, John E. Jones and the following:

<u>Name</u>	<u>Citizenship</u>	<u>Position</u>	<u>Address</u>
Dr. Kerry D. Dance	USA	President, GA Technologies Inc.	10955 John T. Hopkins Dr. San Diego, CA 92121
Dr. Tihiro Ohkawa	Japan	Executive Vice President, GA Technologies Inc.	10955 John T. Hopkins Dr. San Diego, CA 92121
Gen. Alexander Haig	USA	Former Secretary of State	Suite 800 1155 15th Street, N.W. Washington, D.C. 20005
Gen. John Vessey	USA	Former Chairman Joint Chiefs of Staff	Star Route Box 134 Harrison, MN 56450
Simon Ramo	USA	Former Chairman TRW, Inc.	No. 1 Space Park Redondo Beach, CA 90278
William Gould	USA	Former Chairman Southern California Edison	P.O. Box 800 Rose Mead, CA 91770
Dr. Harold Agnew	USA	Former President GA Technologies Inc.	322 Punta Baja Drive Folano Beach, CA 92075
Reau Graves, Jr.	USA	Vice President Cordillera Corporation	5031 S. Ulster Parkway Suite 410 Denver, Colorado 80237



## APPENDIX C

In transactions that will occur simultaneously with the Merger, the real estate upon which GA conducts its business will be transferred to four newly formed corporations that will be controlled by James N. Blue and Linden S. Blue.

The licensed facilities of GA are located in San Diego, California on two parcels of land currently owned by CUSA and designated Parcel 1 and Parcel 2. See the maps attached hereto. The equitable interest in the improvements on the land is currently owned by GA. Prior to the Merger, the land and the improvements will be transferred to CL&D. CL&D will then either transfer or lease the San Diego land and improvements in related transactions to Lindbergh Properties, Inc. ("Lindbergh"), Genesee Properties, Inc. ("Genesee"), Sorrento Valley Real Estate, Inc. ("Sorrento") and Hopkins Properties, Inc. ("Hopkins"), all of which are Wyoming corporations. Cordillera owns 79% of the voting stock of Lindbergh, Genesee, Sorrento and Hopkins, and Plateau Resources, Inc. an Idaho Corporation ("Plateau"), owns the remaining 21%. James N. Blue and Linden S. Blue directly or indirectly own 70% of Cordillera. James N. Blue owns two-thirds of the voting stock of Plateau and the remaining one-third is owned by Daniel Hill, a Canadian citizen.

Harvard International Resources Ltd., a Canadian corporation ("Harvard"), has been issued non-voting, nonconvertible preferred stock of Hopkins, for which it paid \$10 million as consideration. Through a combination of common stock and non-voting preferred stock, two-thirds of the equity of Harvard is owned by Cordillera and James N. Blue while a majority of the voting stock is held by Harvard Developments Limited, a Canadian corporation controlled by Fred Hill, a Canadian citizen, and by Paul Hill, a Canadian citizen. Paul Hill and Daniel Hill are sons of Fred Hill. The preferred stock of Hopkins that is held by Harvard is not convertible to voting stock; there will be no circumstances under which Harvard will control Hopkins.

CL&D will sell the land in Parcel 2 to Lindbergh. CL&D will also grant a 99-year ground lease on Parcel 1 to Lindbergh, with Genesee and Hopkins having an obligation to purchase a 66-acre portion of that land upon approval of an appropriate subdivision thereof. CL&D will retain the remainder of Parcel 1, including Building 11, after the subdivision. Hopkins will purchase Building 21 and Building 23 on Parcel 1 and Sorrento will purchase Building 37 on Parcel 2. The remainder of the buildings will be purchased by

Genesee. All of the purchased buildings on both parcels will be leased to GA. All of the leases for buildings essential for performing NRC licensed activities will extend beyond the license terms and will contain conditions which prohibit any of the lessors from controlling licensed activities.

Letterhead of GA Technologies Inc.

April \_\_, 1986

Nuclear Regulatory Commission  
Washington, D.C. 20555

Gentlemen:

Pursuant to NRC's regulations and practices, this is to assure you that GA Technologies Inc., consents to the filing by General Atomic Technologies Corporation of an application for NRC's consent, to the transfer of control of GA Technologies Inc. to General Atomic Technologies Corporation.

Very truly yours,

Signature

Title

**GA TECHNOLOGIES INC.**  
**ADJUSTED BALANCE SHEET**  
**(\$000)**

**NOTES:**

- (1) TO ADJUST FOR DISPOSITION OF BUILDINGS (NET EFFECT OF WHICH IS EQUIVALENT TO A DIVIDEND), GA'S ASSET AND EQUITY ACCOUNTS ARE REDUCED BY THE CARRYING VALUE OF THE BUILDINGS.
- (2) TO ADJUST FOR THE INCURRING OF LONG TERM DEBT.
- (3) TO ADJUST FOR THE BUYOUT OF CHEVRON.

**COMMENTS:**

- (A) THE PURPOSE OF THIS BALANCE SHEET IS TO REFLECT ON AN ADJUSTED BASIS THE DISPOSAL OF THE BUILDINGS, THE INCURRING OF LONG TERM DEBT AND THE BUYOUT OF THE CHEVRON INTEREST.
- (B) THE ABOVE ADJUSTED BALANCE SHEET DOES NOT REFLECT ANY ENTRIES WHICH WOULD BE REQUIRED UNDER THE PURCHASE METHOD OF ACCOUNTING.
- (C) THIS DOES NOT REFLECT AN ACCOUNTING CHARGE FOR THE \$7.7 MILLION PRESENT VALUE OF THE NON-CASH COST OF AN INCENTIVE EARLY RETIREMENT PROGRAM. THE ACTUAL COST WILL BE BORNE BY A PENSION PLAN WITH ADEQUATE FUNDS FOR THE PURPOSE.

# APPENDIX D

## GA TECHNOLOGIES INC. ADJUSTED BALANCE SHEET (\$000)

ASSETS	ACTUAL BALANCE 2/28/86 (UNAUDITED)	ADJUSTMENTS		ADJUSTED BALANCE 2/28/86
		DR	CR	
CASH & MARKETABLE SEC	10,514	(2) 10,000	(3) 10,000	10,514
ACCTS REC-AFFILIATED	730			730
ACCTS REC-BILLED	15,902			15,902
ACCTS REC-UNBILLED	19,968			19,968
INVENTORIES	7,676			7,676
PREPAID EXPENSES	388			388
<b>TOTAL CURRENT ASSETS</b>	<b>55,178</b>	<b>10,000</b>	<b>10,000</b>	<b>55,178</b>
INVESTMENTS	241			241
LONG-TERM RECEIVABLE	7,365			7,365
NET PROPERTY, PLANT, & EQUIP	24,294	(1)	9,774	14,520
<b>TOTAL ASSETS</b>	<b>87,078</b>	<b>10,000</b>	<b>19,774</b>	<b>77,304</b>
<b>LIABILITIES &amp; STOCKHOLDER'S EQUITY:</b>				
ACCTS PAYABLE-TRADE	4,792			4,792
EMPLOYEE COMPENSATION & BEN	10,325			10,325
CUSTOMER ADVANCES	17,899			17,899
ACCRUED LIAB:				
SUBCONTRACT	1,029			1,029
OTHER	7,326			7,326
<b>TOTAL CURRENT LIAB</b>	<b>41,371</b>	<b>0</b>	<b>0</b>	<b>41,371</b>
OTHER LONG-TERM LIAB	4,267	(2)	10,000	14,267
<b>TOTAL LIABILITIES</b>	<b>\$45,638</b>	<b>0</b>	<b>10,000</b>	<b>55,638</b>
STOCKHOLDER'S EQUITY	41,440	(1) 9,774 (3) 10,000		21,666
<b>TOTAL LIAB &amp; STKHLDR' EO</b>	<b>87,078</b>	<b>19,774</b>	<b>10,000</b>	<b>77,304</b>

THE ATTACHED NOTES AND DISCLOSURES ARE AN INTEGRAL  
PART OF THE ABOVE ADJUSTED BALANCE SHEET.



GA Technologies

GA Technologies Inc.  
PO. BOX 85608  
SAN DIEGO, CALIFORNIA 92138  
(619) 455-3000

May 7, 1986

Nuclear Regulatory Commission  
Washington, D.C. 20555

Gentlemen:

Pursuant to NRC's regulations and practices, this is to assure you that GA Technologies Inc. consents to the filing by General Atomic Technologies Corporation of an application for NRC's consent, to the transfer of control of GA Technologies Inc. to General Atomic Technologies Corporation.

Very truly yours,

K. Dance  
President

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I PDR 5/1



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IMPORT LICENSE

Origin: West Germany	ISNM-1652	10/1/88
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NRC EXPORT LICENSES PENDING

Algeria	Docket: XR-143
Algeria	Docket: XSNMO2059
Romania	Docket: XCOMO503
Turkey	Docket: XSNMO2063

## APPENDIX B

General Atomic Technologies Corporation  
c/o James N. Blue  
5031 South Ulster Parkway  
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- A. The business activities of GA Technologies Inc. ("GA") will be unchanged. They include performing, applying, providing, contracting for, and selling research and development; technical studies; component and systems engineering, design, manufacturing, fabrication and installation; scientific consulting, engineering, and related services in energy conversion and other technologies.
- B. GATC is incorporated under the laws of the State of Wyoming. It was formed for the purpose of acquiring GA. The names, addresses, and citizenship of its directors and of its principal officers are as follows:

<u>Name</u>	<u>Citizenship</u>	<u>Title</u>	<u>Address</u>
James N. Blue	USA	President and Director	5031 South Ulster Parkway Suite 410 Denver, Colorado 80237
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Letterhead of GA Technologies Inc.

April \_\_, 1986

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Washington, D.C. 20555

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Very truly yours,

Signature

Title

**GA TECHNOLOGIES INC.**  
**ADJUSTED BALANCE SHEET**  
**(\$000)**

**NOTES:**

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# APPENDIX D

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<b>TOTAL ASSETS</b>	<b>87,078</b>	<b>10,000</b>	<b>19,774</b>	<b>77,304</b>
<b>LIABILITIES &amp; STOCKHOLDER'S EQUITY:</b>				
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EMPLOYEE COMPENSATION & BEN	10,325			10,325
CUSTOMER ADVANCES	17,899			17,899
ACCRUED LIAB:				
SUBCONTRACT	1,029			1,029
OTHER	7,326			7,326
<b>TOTAL CURRENT LIAB</b>	<b>41,371</b>	<b>0</b>	<b>0</b>	<b>41,371</b>
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<b>TOTAL LIABILITIES</b>	<b>\$45,638</b>	<b>0</b>	<b>10,000</b>	<b>55,638</b>
STOCKHOLDER'S EQUITY	41,440	(1) 9,774 (3) 10,000		21,666
<b>TOTAL LIAB &amp; STOCKHOLDER'S EQ</b>	<b>87,078</b>	<b>19,774</b>	<b>10,000</b>	<b>77,304</b>

THE ATTACHED NOTES AND DISCLOSURES ARE AN INTEGRAL  
PART OF THE ABOVE ADJUSTED BALANCE SHEET.



May 7, 1986

Nuclear Regulatory Commission  
Washington, D.C. 20555

Attention:     Director of Nuclear Reactor Regulation  
                  Director of Nuclear Materials Safety and  
                  Safeguards  
                  Office of International Programs

Gentlemen:

General Atomic Technologies Corporation ("GATC"), a corporation organized under the laws of the State of Wyoming, hereby seeks the consent of the Nuclear Regulatory Commission ("NRC") pursuant to the Atomic Energy Act of 1954 to a transfer of control of GA Technologies Inc. ("GA"), a corporation organized under the laws of the State of California and a wholly-owned subsidiary of Chevron U.S.A. Inc. ("CUSA"). CUSA is a wholly-owned subsidiary of Chevron Corporation ("Chevron"). GA is the present holder of the licenses listed in Appendix A hereto and is the present applicant on the license applications also listed in Appendix A. GATC intends to enter into an acquisition agreement pursuant to which, subject to the approval of the NRC, a subsidiary of GATC will be merged into GA, with GA surviving (the "Merger"). As a result of the Merger, all of the outstanding stock of GA will be owned by GATC.

GA will continue to be operated in the same manner as it has been operated; nothing will change in the manner in which GA, as the licensee, conducts its operations and discharges its responsibilities under the licenses. No changes are anticipated in the operating and management personnel or corporate officers of GA; the only changes anticipated are in the ownership of the stock of GA and the directors of GA as set forth below and in the ownership of the buildings and land in which GA conducts its licensed activities.

Control of GA and the real estate on which it operates its business will be transferred to James N. Blue and his brother Linden S. Blue. James N. Blue is a resident of Englewood, Colorado and is President and Chairman of the Board of Denver-based Cordillera Corporation ("Cordillera") which has interest in real estate, oil and gas and natural gas utilities. Linden S. Blue, a resident of Aspen, Colorado, was formerly President of Beach Aircraft. He has various business interests which include substantial ownership in Cordillera.

The capital stock of GATC is owned 79.5% by Tenaya Corporation, a corporation organized under the laws of the state of Delaware, 20% by Linden S. Blue, a United States citizen and .5% by James N. Blue, a United States citizen. Tenaya is a holding company for investments of the family of

James N. Blue. Mr. Blue owns 60.6% of the voting stock of Tenaya, his wife Anne P. Blue, a citizen of the Federal Republic of Germany, owns 18.2%, and 21.2% is held in trust for the benefit of their children. GATC is not owned, controlled or dominated by an alien, foreign corporation or a foreign government. Further information concerning the management of GATC is provided in Appendix B.

In order to facilitate the financing of the transactions described herein, the real estate upon which GA operates its business will be sold separately from GA. CUSA currently owns the land under the buildings in which GA operates its business while GA owns such buildings. Prior to the transfer of control of GA by means of the Merger, Chevron Land and Development Company ("CL&D"), a subsidiary of Chevron and its land development arm, will acquire from CUSA certain real property including the land under the buildings. CL&D will also acquire the buildings from GA. CL&D will then sell the buildings (except for Building 11 which will be retained by CL&D) and certain of such underlying land and lease the remaining underlying land to real estate corporations controlled by James N. Blue and Linden S. Blue. The portion of the leased land actually used by GA in its operations will be purchased by such real estate corporations upon completion of a subdivision which will create a separate parcel or

parcels for such land. Upon the closing of the purchase of such land, the land lease will terminate and CL&D will retain ownership of the remainder of the previously leased land. It is anticipated that the subdivision may take some years to complete. The real estate companies controlled by James N. Blue and Linden S. Blue will in turn lease the land and buildings to GA. The leases for buildings and land essential for performing NRC licensed activities will be for a term exceeding the expiration dates of the NRC licenses held by GA. The lease agreements covering the land and buildings will contain provisions prohibiting the real estate company lessors from exercising, directly or indirectly, any control over GA, and such companies will accept the limitations set forth in 10 C.F.R. § 50.81 entitled "Creditor Regulations" in connection with the lease transactions. For additional information on the real estate transactions, see Appendix C and the maps attached thereto.

GA currently has numerous contracts with the Department of Defense and the Department of Energy as well as many other contracts with a number of foreign and domestic corporations and other governmental entities. These contracts will remain in place following the Merger and will be the basis of GA's ability to finance its on-going operations and to comply with the safety and other requirements of its NRC licenses.