



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

November 17, 2004

Docket No. 04008980

License No. SMB-1541

Edele Hovnanian
President
Heritage Minerals, Inc.
One Hovchild Plaza
4000 Route 66
Tinton Falls, NJ 07753

SUBJECT: HERITAGE MINERALS, INC. (HMI)

Dear Ms. Hovnanian:

This is in reference to the letter dated June 30, 2004, providing a decommissioning and decontamination status update for the Heritage Minerals, Incorporated (HMI) site in Lakehurst, New Jersey. This letter also requested approval of 1) a proposed "Red Area" boundary delineating the area subject to NRC requirements for license termination, and 2) disposition of stockpiled waste materials from the decontamination of site mill structures and equipment as "blue area" material to be managed by the State of New Jersey. NRC response to these requests is listed below.

- 1) We agree with formally delineating the area within the HMI site that would be subject to NRC jurisdiction for the purpose of decommissioning. Based on independent measurements, NRC staff determined that the proposed boundary is acceptable. Any material located within this bounded area, even if outside of the footprint of the former monazite pile, that contains a concentration of thorium in excess of the unimportant quantity limits in 10 CFR 40.13(a) (116 pCi/g), must be remediated to below 10 pCi/g. However, any material within the bounded area that is less than 116 pCi/g of thorium, will be treated as an unimportant quantity which does not require further remediation.
- 2) NRC staff has determined that, while the stockpiled waste material may currently have a source material concentration of less than 0.05% by weight (the criteria for determining an 'unimportant quantity'), the material is licensed material with low concentrations of source material from licensed activities. This determination is based on the following:
 - a) Although you assert the material did not result from licensed operations, it did originate from the decontamination of buildings and equipment involved in licensed operations (i.e. the wet and dry mills), and must therefore be considered licensed material.

- b) You indicated that the material is below the unimportant quantity limit in 10 CFR 40.13(a), therefore the State of New Jersey should manage it in addition to the material in the "Blue" and "Gray" areas. This request is inconsistent with the concept of establishing a boundary for the NRC-licensed area, which includes the mill process buildings. Additionally, you provided no indication that the State of New Jersey is willing to assume responsibility for this material after the NRC license is terminated.

Based on the above summary, the NRC staff has concluded that HMI's proposed action plan to delineate a jurisdictional boundary for final remediation is acceptable. However, the proposal for disposition of the stockpiled material is not authorized. The stockpiled material must be managed in the same manner as other residual radioactivity that was associated with licensed operations at the site (i.e. the material must be removed and transferred to a licensed recipient authorized to receive the material). Additionally, the area underneath the stockpiled material is subject to the same cleanup criteria approved in item 1 above (i.e. any material that contains a concentration of 116 pCi/gm of thorium or more must be remediated to below 10 pCi/gm).

After remediation is completed, NRC staff will perform confirmatory measurements, and you may request an amendment to terminate the license. Amendment of the license will be subject to the associated hearing rights required by 10 CFR Part 2.

Thank you for your continued cooperation on this matter.

Sincerely,

Original signed by Ronald R. Bellamy

Ronald R. Bellamy
Chief, Decommissioning Branch
Division of Nuclear Materials Safety

cc:
Jill Lipoti, Assistant Director, NJDEP
Anthony J. Thompson, Attorney at Law

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