

Ms. Edele Hovnanian
Senior Executive Vice President
Hovnanian Industries
4000 Route 66
Tinton Falls, NJ 07753

SUBJECT: HERITAGE MINERALS, INC. (HMI), LICENSE TERMINATION AND EXERCISE
OF ENFORCEMENT DISCRETION, CONTROL NO. 136715

Dear Ms. Hovnanian:

This letter is to inform Heritage Minerals, Inc. (HMI) that the U.S. Nuclear Regulatory Commission (NRC) is authorizing release of the Heritage site in Manchester Township, New Jersey, for unrestricted use. Please find enclosed Amendment No. 5 terminating License No. SMB-1541, as requested by your letter dated March 4, 2005.

HMI is grandfathered from the radiological criteria for license termination in 10 CFR 20 Subpart E, and was required to complete the actions described in its approved Decommissioning Plan. HMI submitted decommissioning documents and site surveys in November 2001, June 2003, and March 2005. NRC confirmatory surveys were performed in December 2001, September 2003, and December 2004. Based on the staff's review of these documents, NRC concludes that HMI has completed the decommissioning actions required for this site. The NRC staff performed a dose assessment of the licensed portions of the site in August 2005. On [Insert SRM date], NRC staff received Commission approval to proceed with staff plans to terminate the HMI license and release the site for unrestricted use.

The NRC has been holding an open enforcement action against HMI for failure to complete site decommissioning within the required timeframe in abeyance.

10 CFR 40.42(h)(1) requires "licensees shall complete decommissioning of the site or separate building or outdoor area as soon as practicable but no later than 24 months following the initiation of decommissioning."

10 CFR 40.45(l) states, in part, "the Commission may approve a request for an alternate schedule for completion of decommissioning of the site if the Commission determines that the alternative is warranted."

HMI submitted a decommissioning plan to the NRC in November 1997 for its Manchester, New Jersey facility, and the NRC approved that plan on October 19, 1999 to initiate decommissioning. However, contrary to the above, HMI did not complete the decommissioning of its facility until March 4, 2005, a period greater than 24 months, nor did they request an alternative schedule for decommissioning in accordance with 10 CFR 40.42(l).

Enclosure 4

E. Hovnanian

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This is a Severity Level IV violation (Supplement VI).

While total site remediation was not completed within 24 months, timely removal of the stockpiled licensed material reduced the significant radiological risk at the HMI site. Based on the significant efforts of the licensee to remediate the site after the confirmatory surveys identified additional radioactive contamination, and the low safety significance and low potential for radiological exposure involved with the remaining licensed material, discretion is being exercised after consultation with the Office of Enforcement pursuant to Section VII.B.6 of the Enforcement Policy, and a violation is not being issued.

Current NRC regulations and guidance are included on the NRC's web site at www.nrc.gov; select Nuclear Materials; Medical, industrial, and academic uses of nuclear material; then toolkit index page. Or you may obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-888-293-6498. The GPO is open from 7:00 a.m. to 9:00 p.m. EST, Monday through Friday (except Federal holidays).

Your cooperation with us is appreciated.

Sincerely,

Marie Miller, Chief
Decommissioning Branch
Division of Nuclear Materials Safety

Docket No. 04008980
License No. SMB-1541
Control No.136715

cc: Anthony Thompson, Esquire
Gerald Williams, ENERCON
John F. Lord, HMI
Jill Lipoti, Ph.D., NJDEP
Michael Fressola, Mayor, Manchester Township, New Jersey