

DOCKET NO: 040-08778
LICENSE NO: SMB-1393
FACILITY: CHEVRON MINING INC. WASHINGTON, PA
SUBJECT: SAFETY EVALUATION REPORT (SER) FOR ISSUANCE OF
AMENDMENT NO. 9 TO MATERIALS LICENSE SMB-1393, CHEVRON
MINING, INC. WASHINGTON, PA (TAC No. J60492)

Description of Amendment Request

On July 18, 2007, a letter (ML0720103000) from the law firm of Thorp, Reed, and Armstrong, was submitted to the U.S. Nuclear Regulatory Commission (NRC) on behalf of Molycorp, Inc. notifying NRC of the merger of Molycorp, Inc. into Chevron Mining Inc. This letter also requested that NRC amend SMB-1393, Docket No. 040-08778 by changing the name of the licensee from Molycorp, Inc. to Chevron Mining Inc.

The purpose of the letter was to provide the NRC with an adequate basis to make a threshold determination that the proposed merger of Molycorp, Inc. into Pittsburgh & Midway Coal Mining Company, which will be renamed Chevron Mining Inc. prior to the merger, will not constitute a direct or indirect transfer of Molycorp's source materials license or of any right thereunder.

Introduction

Molycorp, Inc. was issued Source Materials License SMB-1393 by the NRC for the production of thorium-bearing slag from the ferroalloy operations at its Washington PA Facility. The license authorizes Molycorp, Inc. to possess a maximum of up to 120,000 kg of thorium and 11,000 kg of natural uranium in the form of slags and contaminated soils at any time. The license also authorizes storage and transfer of some material, and decommissioning of the Washington, PA facility. A Decommissioning Plan (DP) for unrestricted release was approved by the NRC on August 8, 2000 using the criteria in the Site Decommissioning Management Action Plan in accordance with 10 CFR 20.1401(b)(3) (Reference 1). The original decommissioning schedule in the approved DP required completion of decommissioning activities within two years of the date that the DP was approved. License Amendment No. 6 (ML020700288), License Amendment No. 7 (ML043420034), and License Amendment No. 8 (ML071490396) extended the completion dates until the end of 2004, end of 2007, and end of 2008, respectively. This safety evaluation report (SER) addresses only the licensee's name change described above. An earlier and more detailed SER (Reference 2) and Environmental Assessment (Reference 3) was prepared in conjunction with License Amendment No. 5, which approved the overall DP.

Basis for the Proposed Amendment

The current officers and directors for Molycorp, Inc. and Pittsburgh & Midway are identical. The merger will not result in any changes to the current management structure. The current organizational structure of Molycorp, Inc. will remain the same after the merger. Molycorp, Inc.'s current programs, procedures, and the conduct of operations will not be altered for the Washington Facility as a result of the merger. There are no changes in the organization, location, facilities, equipment or procedures that relate to the Washington Facility as a result of the merger.

Molycorp Inc. confirms that all records concerning the decommissioning of the Washington Facility will remain with Molycorp, Inc. as the reorganized Chevron Mining and that Chevron Mining will abide by all constraints, conditions, requirements, and commitments in the NRC license.

Neither the management, day-to-day operations of, nor the resources currently available to, Molycorp, Inc., including the financial assurance for decommissioning of the Washington Facility will be adversely affected by the merger. As the parent of Molycorp, Inc., Chevron is responsible for the financial assurance for decommissioning the Washington Facility. The objective of decommissioning the Washington Facility is to remediate radiological contaminants to the extent required to allow the NRC to release the property for unrestricted use and to terminate Molycorp, Inc.'s source material license for the facility.

In summary, the merger and the proposed indirect license transfer will not: (1) have any adverse impact on the decommissioning of the Washington Facility; (2) adversely affect the managerial or technical qualifications of Chevron Mining as the owner; (3) impair Chevron Mining's financial ownership, control or domination of Chevron Mining. Accordingly, the proposed transfer will not result in any undue risk to public health and safety, will not be inimical to the common defense and security, and will be consistent with the Atomic Energy Act and NRC regulations.

The renaming of Chevron Mining Co from Molycorp, Inc. is considered an administrative change. An environmental assessment for this action is not required since this action is categorically excluded under 10 CFR 51.22(c)10.

State Consultation

The Pennsylvania Department of Environmental Protection was notified of the proposed license amendment and did not object.

Conclusions

Based on the considerations discussed above, the NRC staff concludes that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by the proposed decommissioning activities; and (2) such activities will be conducted in compliance with NRC regulations.

References

- 1) Molycorp, Inc. Decommissioning Plan for the Washington, Pennsylvania Facility, Part 1 Revision, dated June 30, 1999.
- 2) U.S. NRC, Safety Evaluation Report, License Amendment Request, dated July 1995, Concerning the Decommissioning of the Molycorp, Inc., Washington, Pennsylvania Metal Alloy Facility, August 2000.
- 3) U.S. NRC, Environmental Assessment of the Proposed Decommissioning Plan for the Molycorp, Inc., Facility in Washington, PA, July 2000.