

JUN 08 1989

MEMORANDUM FOR: Lee H. Bettenhausen, Chief  
Nuclear Materials Safety Branch, RI

FROM: John E. Glenn, Chief  
Medical, Academic, and Commercial  
Use Safety Branch  
Division of Industrial and  
Medical Nuclear Safety, NMSS

SUBJECT: HERITAGE MINERALS, INC.'S REQUEST FOR A SOURCE  
LICENSE (DOCKET NO. 040-08980)

We have reviewed the documents (Enclosures 1 and 2) submitted in support of Heritage Minerals, Inc.'s application for a source material license. We have determined, in consultation with the Office of the General Counsel, that the company needs a license, because during its processing of mineral sand it possesses source material whose concentration is (by weight) as much as 0.6 percent, a value that is more than ten times the concentration exempted from licensing in 10 CFR 40.13(a). Applications for new licenses that would authorize processing of source material for extraction of rare earth or other metals are not covered by the categorical exclusion in 10 CFR 51.22. Such applications must be accompanied by an environmental report as specified in 10 CFR 51.60 and the staff must prepare an environmental assessment (EA).

Accordingly, we recommend that Region I:

1. Review the incoming application for health and safety concerns and request from Heritage any needed additional information;
2. Request that Heritage submit an environmental report. To assist Heritage in submitting the appropriate information, it may be useful to send Heritage a copy of the Enclosure 3 or a similar document, so Heritage can see the type of detailed information the staff needs to prepare the EA.

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Upon receipt of the environmental report, Region I should send all appropriate documents to us as a Technical Assistance Request so that staff at Headquarters can prepare the EA.

John E. Glenn, Chief  
Medical, Academic and Commercial  
Use Safety Branch  
Division of Industrial and  
Medical Nuclear Safety, NMSS

Enclosures:

- 1. Heritage application  
dtd 3/6/89
- 2. Heritage ltr dtd  
4/27/89
- 3. Table of Contents fm  
Shieldalloy's Renewal  
Application

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