

## SHAW, PITTMAN, POTTS &amp; TROWBRIDGE

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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August 15, 1996

Mr. Ronald Bellamy  
Chief  
Decommissioning and Lab Branch  
Division of Nuclear Materials Safety  
Nuclear Regulatory Commission  
Region 1  
475 Allendale Road  
King of Prussia, PA 19406-1415

Re: Heritage Minerals, Inc. - Mail Control No. 120594

Dear Mr. Bellamy:

Heritage Minerals hereby requests an extension of the deadline for completion of decommissioning of Heritage's NRC licensed mill and monazite pile (August 15, 1998) for the following reasons:

- a. Recently Heritage was made aware of a potential effort by the State of New Jersey to purchase the entire Heritage tract (which would include the NRC licensed portion) under a state "Green Acres" initiative to preserve large undeveloped plots as public park land. New Jersey has notified Heritage that it is considering such a purchase subject to legislative approval of funding and any subsequent negotiations of a purchase price. Given that the cost of decommissioning and decontaminating the Heritage mill and the monazite pile would be a component of any such negotiations, it would be unreasonable for Heritage to have to assume this significant liability prior to resolution of these land ownership/compensation issues. The State's potential acquisition of the property effectively would be a state taking. Thus, this potential for such "State action" makes the situation wholly different from a typical commercial sales context.

Heritage is fully aware that any transfer of its NRC license would be subject to NRC approval. Heritage also believes that the State as a potential owner

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would have an interest in the final decision on disposal of the monazite pile. It is clear that a multitude of issues (including license transfer and disposal of the monazite pile) will be the subject of extensive negotiations should the State decide to pursue purchase of the Heritage tract. It, therefore, would not be appropriate at this time to develop a schedule to complete decommissioning and decontamination of the mill and monazite pile by August 15, 1998.

Heritage believes that a final determination by the State whether to purchase the property or not will be made before or by September 15, 1997. Heritage will commit to keeping NRC apprised of the status of the State's purchase efforts during the course of the time frame between September 15, 1996 and September 15, 1997 on a basis that is agreeable to NRC.

Heritage also commits to continue to fulfill its obligations as an NRC licensee to the fullest extent during this time frame to assure that there will be no detrimental effect on public health and safety. In addition to its inherent and ongoing responsibility as a licensee, it is also clearly in Heritage's best interests to continue to be in full compliance with NRC requirements with respect to any negotiations with the State over purchase of the entire Heritage tract.

- b. Heritage has investigated a number of domestic alternatives for disposition of the monazite pile, some of which have proved to be infeasible. Notably, the possibility of running the monazite pile through uranium recovery processes has not proved to be feasible in light of NRC's interpretation of its alternate feed guidance contained in the "Final Position and Guidance on the Use of Uranium Feed Materials Other Than Natural Ores." (60 Fed. Reg. 49296 (Sept. 22, 1995)).
- c. Heritage is in the process of updating the viability, of and costs associated with, shipping the monazite to Malaysia. Preliminary indications are that Malaysia may still be a viable option but that the costs may not be insubstantial.

Given the current state of flux with respect to the disposition of the entire Heritage tract (including the monazite pile), it would be unrealistic and unreasonable for Heritage to have to commit to a final decommissioning schedule at this time. Heritage would be pleased

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to meet with you and Marie Miller in conjunction with NRC's annual site inspection to discuss this request for an extension of the decommissioning deadline during the month of September or early October. Heritage would endeavor to have its principals and myself available at that time for a site tour, the inspection, and a discussion of the status of New Jersey's "Green Acres" initiative. I will be calling you to discuss a date in the near future.

In closing, let me say that Heritage very much appreciates NRC's forthright and collegial approach to addressing Heritage's compliance with NRC's license and regulatory requirements. Heritage looks forward to continuing this relationship by providing its unconditional commitment to fulfill its license requirements in a manner that will provide NRC the assurance it requires to satisfy its regulatory responsibilities.

Very truly yours,

*Anthony J. Thompson* /c/c

Anthony J. Thompson

AJT/clc

cc: Ms. Edele Hovnanian