



40-8914

March 22, 1991

Mr. Ramon E. Hall, Director  
Uranium Recovery Field Office  
United States Nuclear Regulatory Commission  
P.O. Box 25325  
Golden, CO 80225

**SUBJECT:** Johnny M , License SUA-1432

Dear Mr. Hall:

We have had continuing discussions with Ms. Jacoby regarding the reclamation of Johnny M and the release of the license when that reclamation is complete. It has been explained to me that license release is subject to the surface and mineral estates being unavailable for transfer to the Federal Government. The surface owner, the Fernandez Company, Ltd. has supplied you with a letter that indicates that the surface is not available for transfer. Santa Fe Pacific Railroad Company holds the mineral estate under Section 7, Township 13 N, Range 8 W, McKinley County, New Mexico; they have indicated to me that they will be providing you with a letter to the effect that the mineral estate in that Section is not available. Finally, our record search indicates that the remaining portion of the mineral estate that was mined by the Johnny M activities (E 1/2 Section 18, Township 13 N, Range 8 W) was reserved to the Federal Government when the surface was patented. Therefore, no transfer of that property is necessary.

With the receipt of the letter from Santa Fe Pacific, we believe that the obligations under Criterion 11 have been fulfilled, resulting in a decision that the Johnny M license would be released following the reclamation conditions of the license. We would appreciate your confirmation in this regard in the very near future as the window for reclamation of the site under the approved plan is rapidly closing. In fact, the reclamation will need to be completed within the next two months. Therefore, by this letter we are also notifying you that we will be initiating the reclamation work at the Johnny M site in late April, pending your confirmation that the license will be released upon completion of the reclamation under the existing license.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Larry A. Drew".

Larry A. Drew  
Manager - Environmental Affairs

LAD

cc: D. L. Jacoby

91-0352

9/10/1991