



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV

611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76011

40-8914

FEB 7 1991

MEMORANDUM FOR: Ramon E. Hall, Director
Uranium Recovery Field Office

FROM: William L. Brown
Regional Counsel

SUBJECT: TERMINATION OF THE SOURCE MATERIAL LICENSE
ISSUED TO HECLA MINING COMPANY FOR THE
JOHNNY M MINE, SAN MATEO, NEW MEXICO

This is in response to your same subject memorandum to me dated December 21, 1990. You asked that I review the situation surrounding the proposed termination and indicate if NRC will be able to terminate the license upon the licensee's successful completion of the surface cleanup without requiring transfer of the property to the State or Federal Government. You also raised the question of a waiver of the long-term surveillance fee.

Commission regulations (10 CFR 40, Appendix A, Criterion 11) provide that in some rare cases, such as may occur with deep burial where no ongoing site surveillance will be required, surface land ownership transfer requirements may be waived. You stated in your December 21 memorandum that the Johnny M Mine site fit such a condition. You should also verify completion of the cleanup of the remaining surface contamination to appropriate standards. In addition, it is my understanding that the land is not even available for transfer. By letter dated February 5, 1991, Roger A. Kauffman, Vice President - Industrial Minerals, Hecla Mining Company, informed your office that the land owner, the Fernandez Company, "remains firmly committed that the property is not available for purchase." Dawn Jacoby of your staff has agreed to obtain independent verification of this statement from a representative of the land owner. If satisfactorily verified, this inability of the licensee to transfer title and custody of the land to either the State or Federal Government is a further basis under Criterion 11 to grant a waiver of the transfer requirement. Therefore, subject to the fact situation set forth in your December 21 memorandum and satisfaction of the conditions referenced in this memorandum, I have no legal objection to NRC termination of the license without requiring transfer of the property to the State or Federal Government.

Lastly, if the NRC verifies that no ongoing site surveillance will be required because of the integrity of the deep burial site and because of the fact that the surface has been cleaned to release standards, then a waiver of the long-term surveillance fee required by Criterion 10 may be granted consistent with the provisions of 10 CFR 40.14.

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Ramon E. Hall

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Before any of the above actions are taken, you should, of course, ensure proper internal NRC coordination. Please let me know if I can be of any further assistance.



William L. Brown
Regional Counsel

cc: R. Martin
A. Beach