

FCPF:RC
40-8714

The Cleveland Cliffs Iron Company
ATTN: H. J. Leach, Vice President
Western Operations
1460 Union Commerce Building
Cleveland, OH 44115

Gentlemen:

Enclosed is Source Material License No. SUA-1352 authorizing the possession and use of source material in connection with your planned uranium solution extraction test program at the Collins Draw site in Campbell County, Wyoming.

As discussed with your Mr. Sommerville by Dr. Cooperstein of my staff, this license presently limits your test program to the use of a dilute ammonium carbonate-bicarbonate and oxidant leachant system. As stated in License Condition No. 12, use of an alternate leachant system, e.g., a dilute sulfuric acid lixiviant, will require amendment of this license. Any proposed amendment request for a change in lixiviant system should take into account the concern over effectiveness of aquifer restoration techniques and should fully describe the restoration criteria and projected environmental impact. Similarly, consideration should be given not only to the test program, but to its possible use in commercial-scale operations.

Also enclosed for your information and file are copies of NRC Regulations 10 CFR Parts 19, 20 and 40.

Please note the posting requirements of Part 19 as well as the requirements for instructions to workers.

License Condition Nos. 17 and 29 contain reporting requirements. At the time any of these reports are submitted, you are requested to send a copy to Region IV, Office of Inspection and Enforcement, U.S. Nuclear Regulatory Commission, 611 Ryan Plaza Drive, Suite 100, Arlington, TX 76012. We suggest that you also provide copies to the Wyoming Department of Environmental Quality, Land Quality Division.

You will receive instructions on the reporting requirements of Section 40.64, 10 CFR Part 40, under separate cover from our Division of Safeguards.

All correspondence, including reports related to this license, should reference Docket No. 40-8714.

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With respect to your planned test program, we note that the studies may be expected to lead to commercial-scale operations at this site or other areas. Thus, it is important that you obtain complete and accurate environmental data from this test program that can be applied or extrapolated to support any proposed commercial-scale activity license application.

If you have any questions regarding these matters, please contact me or Dr. Cooperstein of my staff (301-427-4103).

Sincerely,

R. A. Scarano, Section Leader
Uranium Recovery Licensing Branch
Division of Waste Management

Enclosures:

1. License No. SUA-1352
2. Staff Safety/Environmental
Analysis of Application
3. 10 CFR Parts 19, 20 and 40

Distribution

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