

DCS - PDR



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

SEP 10 1980

WMUR:PJG
Docket No. 40-3453

Atlas Minerals
ATTN: Mr. Gordon Swanby
P. O. Box 1207
Moab, Utah 84532

Gentlemen:

This is in response to your letter of July 17, 1980, in which you present your interpretation of Condition No. 11 of your license. This condition restricts the average mill throughput at your Moab mill to 850 metric tons of barreled U_3O_8 per year.

We do not agree with your interpretation that the "average" referred to in the license condition is over a five year period. Our interpretation of this condition is that the throughput over one year is not to exceed 850 metric tons of U_3O_8 .

The amount of yellowcake production to which you are limited by license condition is based upon an environmental assessment performed by NRC to evaluate environmental impacts resulting from your operation. This environmental assessment, in turn, is based upon a specific yellowcake output, which in your case was 850 metric tons. An increase in yellowcake production above 850 metric tons could not be considered without an additional environmental assessment based upon the requested amount of yellowcake production. An amendment request (non-administrative) accompanied by the appropriate license fee would be required before this assessment could begin.

With regard to future correspondence, we ask that you address all transmittals to either (1) Ross Scarano, Chief, Uranium Recovery Licensing Branch, or (2) John Linehan, Section Leader, Uranium Recovery Licensing Branch. All transmittals can be sent to the attention of Peter Garcia, however, to expedite distribution. This is a standard procedure we request all licensees and applicants to follow.

We hope that this adequately presents our interpretation of License Condition No. 11 of your license. Should you have any further questions on this matter, please call Mr. Garcia at (301) 427-4109.

Sincerely,
John J. Linehan
John J. Linehan, Section Leader
Uranium Recovery Licensing Branch
Division of Waste Management

cc: Mr. G. Brown, NRC, Region IV

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