

JAN 24 1990

Docket No. 70-36
License No. SNM-33
Amendment No. 17

Combustion Engineering, Inc.
ATTN: Mr. J. A. Rode, Plant Manager
Hematite Fuel Manufacturing
P.O. Box 107
Hematite, MO 63047

Gentlemen:

In accordance with the amendment application dated January 3, 1990, and supplement dated January 12, 1990, and pursuant to Title 10, Code of Federal Regulations, Part 70, Materials License No. SNM-33 is hereby amended to authorize the use of poreformer and lubricant in the new pelletizing lines and the storage of special nuclear material on the second and third floors of Building 254. Accordingly, Condition 9 is revised to include the dates of January 3 and January 12, 1990, and Conditions 36 and 37 are hereby deleted. This amendment is subject to the following condition:

39. At all times, the licensee shall limit moderating material (solutions and powders), except poreformer and lubricant, to not more than two 5-gallon pails on each of the second and third floors of Building 254.

This condition was discussed and agreed to by your Mr. Conant and Dave McCaughey of my staff on January 23, 1990.

All other conditions of the license shall remain the same.

Revised License No. SNM-33, incorporating Amendment No. 17, and our Safety Evaluation Report are enclosed.

We are concerned about the quality of the applications for Amendment Nos. 16 and 17. The requested short review time and the inadequate safety demonstrations signify the need for competent, complete technical evaluations and reviews prior to submitting a timely application.

FOR THE NUCLEAR REGULATORY COMMISSION

Original Signed By:

Glen L. Sjoblom, Acting Chief
Fuel Cycle Safety Branch
Division of Industrial and
Medical Nuclear Safety, NMSS

Enclosures:

1. Revised License No. SNM-33
2. Safety Evaluation Report

cc: See next page

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Combustion Engineering, Inc.

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cc w/encls:

Mr. A. E. Scherer, Director
Nuclear Licensing

Mr. C. B. Brinkman, Manager
Washington Nuclear Operations

Mr. C. R. Waterman, Acting Vice President
Nuclear Fuel

Mr. H. E. Eskridge, Manager
Licensing, Safety and Accountability

Distribution w/encl.

Docket No. 70-36

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GHBidinger

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DKasun, SGDB

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| OFC:IMUF: | IMUF: <i>JH</i> | YMUF: <i>RHB</i> | YMSB: <i>[Signature]</i> |
| NAME: DAMcCaughey:mh: | VLTharpe: | GHBidinger: | GS Job tom: |
| DATE: 1/23/90: | 1/23/90: | 1/23/90: | 1/23/90: |

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