

Return to WMUR 461-SS
Docket 40-8602
PDR

WMUR 40-8602/MJS/10/22/81

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OCT 23 1981

WMUR: 40-8602

Mr. Chuck Wolff
Resident Manager
Silver King Mining, Inc.
P.O. Box 560
Casper, Wyoming 82601-0560



Dear Mr. Wolff:

It is my understanding that Silver King Mining, Inc., the new licensee at the Morton Ranch operation has planned to acquire additional mineral rights on Section 14, where the vast majority of mill tailings are proposed to be disposed. However, you indicated to other NRC staff that you have not acquired all of the mineral and subsurface rights on this section nor on the other sections where the tailings are to be located.

Section 202(a) of P.L. 96-604 authorizes the Commission to exempt a licensee from acquiring ownership of certain severable subsurface interests (for example, mineral rights) where it determines that this action will not endanger public health, welfare, and the environment. The Commission has in the past, exempted a licensee from the land ownership transfer requirements of the Uranium Mill Tailings Radiation Control Act. However, this was a unique case where the licensee was able to conclusively demonstrate that the tailings impoundment was stable and did not require long term surveillance and monitoring.

Your request for exemption is less clearcut. Assessing an exemption to transfer the variety of different mineral and subsurface rights that occur on the land where you seek to dispose of tailings will be more difficult in order to assure that the public health, welfare, and the environment are protected.

We think it is the responsibility of the licensee to demonstrate that the acquisition of these rights prior to license termination is not necessary or desirable to protect the public health, safety or welfare, or to minimize or eliminate danger to life or property. The material submitted to us thus far by the previous licensee is inconclusive to demonstrate that the acquisition of all rights and eventual transfer is not necessary.

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Should you still wish to pursue this exemption, we will require responses to the attached set of questions. These questions are in addition to the documentation you will need to provide to substantiate your request for exemption.

We appreciate your cooperation in this matter.

Ross Scarano for

Harry J. Pettengill, Section Leader
Operating Facilities Section II
Uranium Recovery Licensing Branch

Enclosure:
As Stated

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* See previous concurrence

TICKET NO:

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Please provide full and complete responses to the following questions.

For the land where mill tailings are planned to be permanently disposed, please provide the following information:

- a. Copies of all leases, deeds, and proofs of mineral rights, including the following documents:
 1. Surface Owner's Agreement dated August 2, 1967.
 2. Mining lease dated May 1, 1968, and all amendments and extensions thereof.
 3. Lease of July 1, 1977, including the amendment of January 11, 1979.
 4. A brief narrative description of who now owns all of the rights on the land where the tailings are to be disposed of.
- b. The March 18, 1981 letter from attorneys Mr. Stanley Crout and Mr. Sunny Nixon to Mr. Ross Scarano, indicated the cost of acquiring certain mineral rights would be "outlandish". Please document this statement by providing:
 1. Evidence of any efforts your company has made to acquire the mineral rights including costs demanded by the present owners.
 2. Evidence of ranges of costs in Converse county of acquiring mineral and subsurface and surface rights for similar types of properties.