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MOLYCORP  
February 28, 1994

Mr. Chad Glenn  
United States Nuclear Regulatory Agency  
Washington, D.C. 20555-0001

re: NRC License No. SMB-1393

Dear Mr. Glenn:

This letter will update you on the status of the surface impoundment closure as well as the site characterization of the facility. The Pennsylvania Department of Environmental Resources (PA DER) is still reviewing the revised surface impoundment closure plan submitted by this facility on April 9, 1993. The original closure plan was submitted on August 31, 1992. We discussed the status of the closure plan on January 28, 1994 with Annette Paluh of PA DER's Solid Waste Management. Ms. Paluh indicated PA DER's review was in progress. She expected the critique to be concluded within the next four to eight weeks. Only minor revisions had been noted to date.

Some site characterization work was accomplished between August and December 1993 at this site while awaiting US NRC approval of the submitted proposed plan. The site was surveyed into the grid formation detailed in the site characterization proposed plan. Surface surveys were taken along both banks of Chartiers Creek and in the stream itself. The ferromolybdenum slag site was also surveyed. This area is immediately behind the area surveyed by Oakridge in 1985. The drilling company has been contracted. The proposed plan and procedures have been reviewed with the company.

The quality control/quality assurance plan was also initiated. Several procedures have been formally written such as the control, validation, and record keeping of samples and data, documentation control, training and qualifications for various procedures, etc. A professional will be retained to oversee the QA/QC program for site characterization and decommissioning activities. This individual will not be the radiation safety officer or project professional, so he/she can maintain the necessary detachment from the project required for auditing.

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As you are well aware, the weather this winter has not been typical. We received nominally five feet of snow during early to mid-January. This melted rapidly the latter part of the month, culminating in the flooding of Chartiers and Sugar Branch Creeks. We were not able to start drilling during January because of these events.

The ground is still saturated with water. The water table is very high. Rain, snow, and ice storms have contributed to sustaining the higher levels. There are several "soft" areas of ground where people sink into the mud as they walk. A significant portion of the areas where we need to drill are too "soft" and muddy to take any type of heavy equipment without significant risk of the equipment becoming stuck.

The underground water flow is not typical at this time because of the saturated conditions. Hydrogeology data collected while this situation exists could not be considered typical. The weather forecasts for February indicate that precipitation has been above average.

We would like to request a one hundred twenty (120) day extension in submitting the site characterization report because of these circumstances. We anticipate safe drilling could be started in early April unless March's weather pattern also contains significantly above average precipitation. If this should occur, we would start drilling wherever possible and stop when all areas able to support equipment have been drilled. We would continue at the earliest possible date equipment could be moved onto the field areas of the property.

Please call George Dawes or myself if you have any questions.

Sincerely,



Barbara K. Dankmyer  
Resident Manager

xc: G. Dawes  
D. Shoemaker