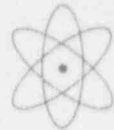


FERRET EXPLORATION COMPANY OF NEBRASKA, INC.

216 Sixteenth Street Mall, Suite 810
Denver, Colorado 80202

(303) 825-2266
(303) 825-1544 - FAX



April 15, 1994

Mr. Malcolm Knapp
United States Nuclear Regulatory Commission
Chairman, Transition Oversight Team
Mail Stop E6E
Washington, D.C. 20555

RE: USNRC Docket No. 40-8943
License No. SUA 1441

Dear Mr. Knapp:

Attached is Wyoming DEQ's response to FEN's letter dated March 23, 1994, regarding disposal of 11.e(2) byproduct material. Wyoming DEQ appears to suggest that the State has authority to permit the Shirley Basin facility in addition to the USNRC.

Since Pathfinder has not applied for a permit from DEQ, FEN is not allowed to ship its waste to this facility. DEQ suggests that FEN ship its waste to American Nuclear or UMETCO in Wyoming, facilities that are in final reclamation.

Best regards.

Sincerely,

Steve Collings

Stephen P. Collings
President

Attachment

cc: Mr. Ramon Hall

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THE STATE



OF WYOMING



MIKE SULLIVAN
GOVERNOR

Department of Environmental Quality

Herschler Building • 122 West 25th Street • Cheyenne, WY 82002

ADMINISTRATION (307) 777-7758 FAX 777-7682	ABANDONED MINES (307) 777-8145 FAX 634-0799	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7368 FAX 777-6937	LAND QUALITY (307) 777-7756 FAX 634-0799	SOLID & HAZARDOUS WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973
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April 11, 1994

Mr. Stephen P. Collings
President
Ferret Exploration Company of Nebraska, Inc.
216 Sixteenth Street Mall, Suite 810
Denver, CO 80202

Dear Mr. Collings:

This is in reply to your March 23 letter commenting on the public notice announcing the Department's pending settlement of a dispute with Pathfinder Mines regarding disposal of section 11.e(2) byproduct materials.

Your letter requests that we approve Pathfinder's Shirley Basin tailings facility as a disposal site for Ferret's Crow Butte mine. Unfortunately, we are unable to provide that approval, unless Pathfinder applies for and receives an industrial solid waste disposal permit for the Shirley Basin tailings facility.

Pathfinder has received a deminimis exemption to the state's solid waste permitting requirements, to allow receipt of in-situ wastes from a number of in-situ mines. The deminimis exemption allows Pathfinder to accept up to 48,650 cubic yards of section 11.e(2) byproduct material from in-situ mines. During negotiations with the department leading to the agreement to settle this dispute, Pathfinder elected to specify that all of the wastes accepted by it under the terms of the settlement agreement would come from mines owned by it, or by joint ventures in which it participates. The election as to which mines can ship wastes under terms of the deminimis exemption was Pathfinder's, not the department's.

Pathfinder could broaden its acceptance of section 11.e(2) byproduct materials at the Shirley Basin facility, if it applies for and obtains a permit. The department has not placed any limit on what would be allowed or not allowed to be received at the facility under the terms of a permit, but you must realize that

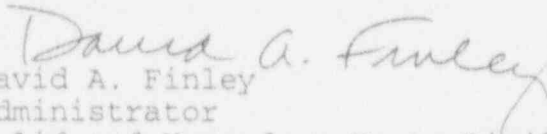
Pathfinder has not submitted any application and no permit has been issued. Pathfinder has indicated to us that it does not wish to obtain a permit for this facility.

Your letter indicates that the Pathfinder site is the only site available for disposal of your byproduct materials. I would note that both American Nuclear and UMETCO have received similar authorizations from NRC and DEQ to allow acceptance at their tailings facilities for wastes of this type. A limited exemption has been issued to Kennecott Uranium Company for the disposal of up to 12,000 tons of wastes from U.S. Energy's Sheep Mountain Partners Ion Exchange facility, as well. In addition, I am informed that NRC has issued similar authorizations to other tailings facilities in Utah, and that the State of Texas may have authorized disposal at tailings facilities in that state.

I urge you to contact other owners of tailings facilities to see if you can make arrangements for the disposal of your wastes at those facilities. We support the NRC policy in Criterion 2 of 10 CFR Part 40, Appendix A. Even though Pathfinder has elected to exclude your wastes from acceptance at the Shirley Basin facility, we are hopeful that you will be able to find another facility willing (and authorized by NRC and DEQ) to receive your wastes.

Should you have any questions about Wyoming's policies or requirements for waste disposal, please do not hesitate to call me at 307-777-7752.

Sincerely,


David A. Finley
Administrator
Solid and Hazardous Waste Division