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Docket File 40-8602

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OCT 15 1982

WMLL:DMS
Docket No. 40-8602
04008602100E

MEMORANDUM FOR: Docket File No. 40-8602

FROM: Dennis M. Sollenberger, Project Manager
Uranium Recovery Licensing Section
Low-Level Waste Licensing Branch

SUBJECT: LAND OWNERSHIP AT THE SILVER KING MINES, MORTON
RANCH PROJECT

By letter dated April 7, 1982, Silver King Mines, Inc. (SKM) submitted information documenting the status of their land ownership for the Morton Ranch Project tailings disposal area. This information was supplemented by letter dated August 20, 1982, which included copies of three deeds.

To date SKM, as trustee for the Tennessee Valley Authority, has title to all the surface rights for the tailings disposal area. The uranium mineral rights are owned by SKM for the western half of the tailings area and 50% of the rights on the eastern half. However, SKM holds the development rights for the entire area.

The other mineral, oil, and gas rights are not currently owned by SKM, but SKM is attempting to acquire them. To date there have not been any other mineral, oil, or gas reserves identified beneath the tailings disposal area.

The Morton Ranch mill is not scheduled to be in production until the late 1980's; therefore, the licensee will be required to renew the license prior to initial operations. The delay in commencing operations will allow the licensee time to negotiate reasonable contracts for the subsurface mineral, gas, and oil rights.

Based on the above information, I recommend that the issue of mineral rights ownership for the Morton Ranch Project does not warrant further staff review at this time. The subsurface mineral rights issue should be further reviewed in conjunction with the licensee's request to renew Source Material License SUA-1356 in May 1984. The licensee has

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demonstrated his intent to pursue this matter as evidenced by recent surface rights acquisitions.

Original signed by

Dennis M. Sollenberger, Project Manager
Uranium Recovery Licensing Section
Low-Level Waste Licensing Branch

Approved by: Original signed by
H. J. Pettengill, Section Chief
Uranium Recovery Field Office

Case Closed: 04008602100E

40-8602/mab/82/10/16/0

OFC	:WMLL:mb	<i>DMS</i>	: URFO	<i>BPF</i>	:URFO	<i>HJP</i>	:	:	:
NAME	:DMSollenberger:	BPFisher	:HJPettengill:	:	:	:	:	:	:
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