

JAN 22 1991

URFO:PWM
Docket No. 40-8783

Uranerz U.S.A., Inc.
165 South Union Blvd., Suite 280
Lakewood, Colorado 80228

Gentlemen:

Source Material License SUA-1401, issued to Uranerz U.S.A., Inc., expired on December 31, 1990. This license authorized the possession of residual contaminated materials from the Ruth R&D in-situ leach facility while a commercial license application was reviewed. The commercial license, SUA-1539, was issued on December 21, 1990. It was apparently intended to deal with the incorporation and eventual termination of SUA-1401 subsequent to the issuance of SUA-1539. As such, the issuance of SUA-1539 did not affect the status of SUA-1401.

Section 40.43(b) of 10 CFR 40 requires a license renewal application to be filed not less than 30 days prior to the expiration of the existing license. Section 40.42(c) requires a licensee who does not submit an application for license renewal to perform certain actions on or before the expiration date. These action include decommissioning, disposal, surveys, and reports. Neither the renewal nor termination regulations were complied with prior to the expiration date of December 31, 1990.

Your failure to comply with the requirements of 10 CFR 40.42 is a violation of NRC regulations. On January 17, 1991, you submitted a proposed corrective action to transfer the remaining obligations under SUA-1401 to your current license, SUA-1539, which covers the same physical area. You also incorporated an amendment request into your submittal to accomplish the transfer of obligations. Therefore, your submittal dated January 17, 1991, containing your explanation and corrective actions taken, is an appropriate response to this violation. The requirements of 10 CFR 2.201 have therefore been satisfied and no further response to this violation is necessary.

Should you have any questions regarding this matter, we will be pleased to discuss them with you.

Sincerely,
Original Signed By:
R. E. HALL

Ron E. Hall
Director

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| PM:URFO PMichaud/dj 1/18/91 | PM:URFO GRKonwinski 1/18/91 | DD:URFO EFHawkins 1/18/91 | D:URFO:RIV REHall 1/22/91 |
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Discussed with Special Agent
1/22/91

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