



NOV 1 1974

Cotter Corporation
ATTN: Mr. David P. Marcott
Executive Vice President ;
P. O. Box 356
Golden, Colorado 80401

Gentlemen:

This refers to the inspection conducted by Mr. W. B. Grant of our Region III Office on April 10 and 24, 1974, at your Hazelwood, Missouri site and on April 23, 1974, at your Canon City, Colorado Office of activities authorized by AEC Source Material License No. SUB-1022. Reference is also made to the discussions of our findings with you by Mr. Grant on April 26, 1974.

The inspection was an examination of the decommissioning operations at the Hazelwood, Missouri site and consisted of interviews with personnel of B-K Construction Company; consultants of Ryckman, Ederly, Tomlinson and Associates; and, an examination of records at the Canon City, Colorado Office.

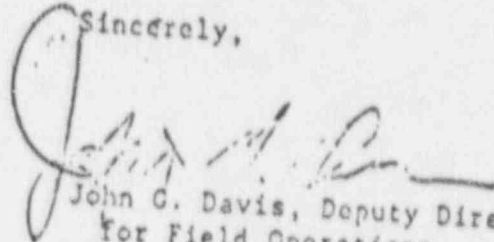
The inspection findings showed that during the period of July - October 1973, about 8700 tons of leached barium sulfate containing about seven tons or averaging about 0.08% natural uranium was scooped up for disposal with approximately 39,000 tons of soil, and the resulting uranium concentration was about .0001%. It is our understanding from your contractor that the material was then deposited under about 100 feet of refuse and earth at St. Louis, Missouri County sanitary landfill area No. 1.

The disposal does not appear to be within the intent of the Commission's regulation, 10 CFR Part 40, to allow alteration of the physical nature of Source material (i.e. dilution of solids with nonradioactive source material) in order to obtain a physical mixture which would no longer be subjected to licensing by the Commission.

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We have been advised that the Directorate of Licensing is in receipt of your request for license termination, which included the results of the radiation surveys performed at the Hazelwood site. You will receive separate correspondence concerning that request from the Directorate of Licensing.

Sincerely,



John G. Davis, Deputy Director
for Field Operations
Directorate of Regulatory Operations