

Umetco Minerals Corporation

40-8681



P.O. BOX 1029
GRAND JUNCTION, COLORADO 81502
☎ (303) 245-3700

April 11, 1994

Mr. Ramon E. Hall
U. S. Nuclear Regulatory Commission
Uranium Recovery Field Office
P. O Box 25325
Denver, Colorado 80225



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re: Transfer of License SUA-1358 to Energy Fuels

Dear Mr. Hall:

As promised in my letter of March 29, 1994, attached are responses and commitments required by USNRC Policy and Guidance Directive FC 86-2, Revision 1, dated June 21, 1989. As the responses require both companies to prepare the document, both Umetco and Energy Fuels have executed the submittal.

Should you have and questions concerning statements made in this document or require additional information, please contact me at (303) 245-3700. As mentioned before, both companies want to see this transfer take place as soon as possible.

Sincerely,

Richard A. Van Horn
Director of Operations

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LICENSE #SUA-1358 - REQUIRED TRANSFER INFORMATION AND COMMITMENTS

Umetco Minerals Corporation
to
Energy Fuels Nuclear, Inc.

1. Energy Fuels Nuclear, Inc.

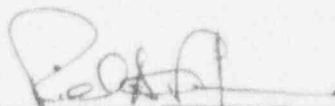
Mill Address: Energy Fuels Nuclear, Inc.
6425 S. Highway 191
P.O. Box 789
Blanding, UT 84511

Corporate Address: Energy Fuels Nuclear, Inc.
One Tabor Center, Suite 2500
1200 Seventeenth Street
Denver, CO 80202

2. Energy Fuels will maintain the critical on-site mill employees in approximately their same job responsibilities and levels of authority. Specifically, the job functions of the Mill Manager and the Radiation Protection Officer will be filled by the same individuals responsible for those functions during the last mill operating period.
3. Union Carbide Corporation, parent to Umetco Minerals Corporation, has decided to withdraw from the uranium and vanadium business and concentrate on its core chemicals businesses. Umetco Minerals therefore is exiting the uranium and vanadium business. It will, however, continue with the reclamation of its former Maybell and Uravan mill sites in Colorado and its Gas Hills site in Wyoming.
4. A copy of the fully executed Letter of Intent between Umetco Minerals Corporation and Energy Fuels Nuclear, Inc., for transfer of the White Mesa Mill was presented to the U.S. Nuclear Regulating Commission, Denver Uranium Recovery Field Office, on March 29, 1994.
5. Personnel critical for the maintenance of the radiological and environmental safety programs will be retained by Energy Fuels in their present positions and with similar authority. Specifically, the Umetco Radiation Protection Officer will become the Energy Fuels Radiation Protection Officer at the time of license transfer. In addition, overall mill management will be assumed by the individual responsible for that function during the previous periods of full mill operation. A Management and Standby Organization Chart is attached.

6. There will be no change in the use or storage of any licensed material on site. The yellowcake product currently at the site owned by Umetco Minerals will be shipped to a licensed converter prior to the transfer of the License or full and clear title or obligations for storage and possession will pass to Energy Fuels at the time of license transfer.
7. There are no changes in organization, location, facilities, equipment or personnel that would require a license amendment, even without the change of ownership. There will be no changes in the current operating or emergency procedures.
8. All records and surveillance requirements are current at the present time, will be current at the time of the transfer, and are in full compliance with the provisions of License SUA-1358. These records cover the life of mill operations at White Mesa and will remain on site in compliance with license conditions.
9. The facility is currently in a standby mode, undergoing regular maintenance to maintain the facility in compliance with license conditions and to ready it for an upcoming mill run. Substantial improvements have been made or will have been made to the facility its equipment and the process prior to that mill run. Contamination is present on site from normal milling activities and associated tailings management. The site will not be decontaminated prior to transfer as it is the intent of Energy Fuels to continue operation of the mill. Decontamination will be undertaken upon final reclamation and decommissioning of the facility in accordance with approved reclamation plans filed with the NRC. The full liability for such decommissioning and reclamation will be assumed entirely by Energy Fuels Nuclear, Inc., as operator of the mill (see Item 10 below).
10. The requirements and plans for decontamination and decommissioning of the mill facility and tailings management area will remain the same. Financial assurance arrangements have been detailed in the Letter of Intent between Umetco Minerals Corporation and Energy Fuels Nuclear, Inc., delivered to the U.S. Nuclear Regulatory Commission, Denver Uranium Recovery Field Office, on March 29, 1994. Specifically, the current financial assurance arrangements put in place by the transferor will remain in place until replaced by the transferee on or before January 1, 2000.
11. Energy Fuels agrees to abide by all commitments and representations previously made to the Nuclear Regulatory Commission by Umetco Minerals Corporation for License #SUA-1358. Energy Fuels accepts full liability for the site and the required financial assurances as detailed in the Umetco letter of March 29, 1994, to the U.S. Nuclear Regulatory Commission, Denver Uranium Recovery Field Office.

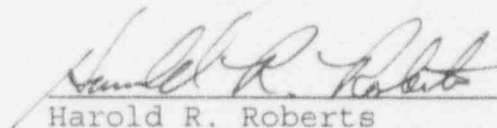
12. Documentation on the agreement, in the form of the Letter of Intent between Umetco Minerals Corporation and Energy Fuels Nuclear, Inc., was presented to the U.S. Nuclear Regulatory Commission on March 29, 1994.
13. Energy Fuels Nuclear, Inc., agrees to abide by all constraints, conditions, requirements, representations and commitments included in the existing Source Material License #SUA-1358 and in the Umetco letter of March 29, 1994, to the U.S. Nuclear Regulatory Commission, Denver Uranium Recovery Field Office..



R. A. Van Horn
Director of Operations
Umetco Minerals Corporation

4/11/94

Date

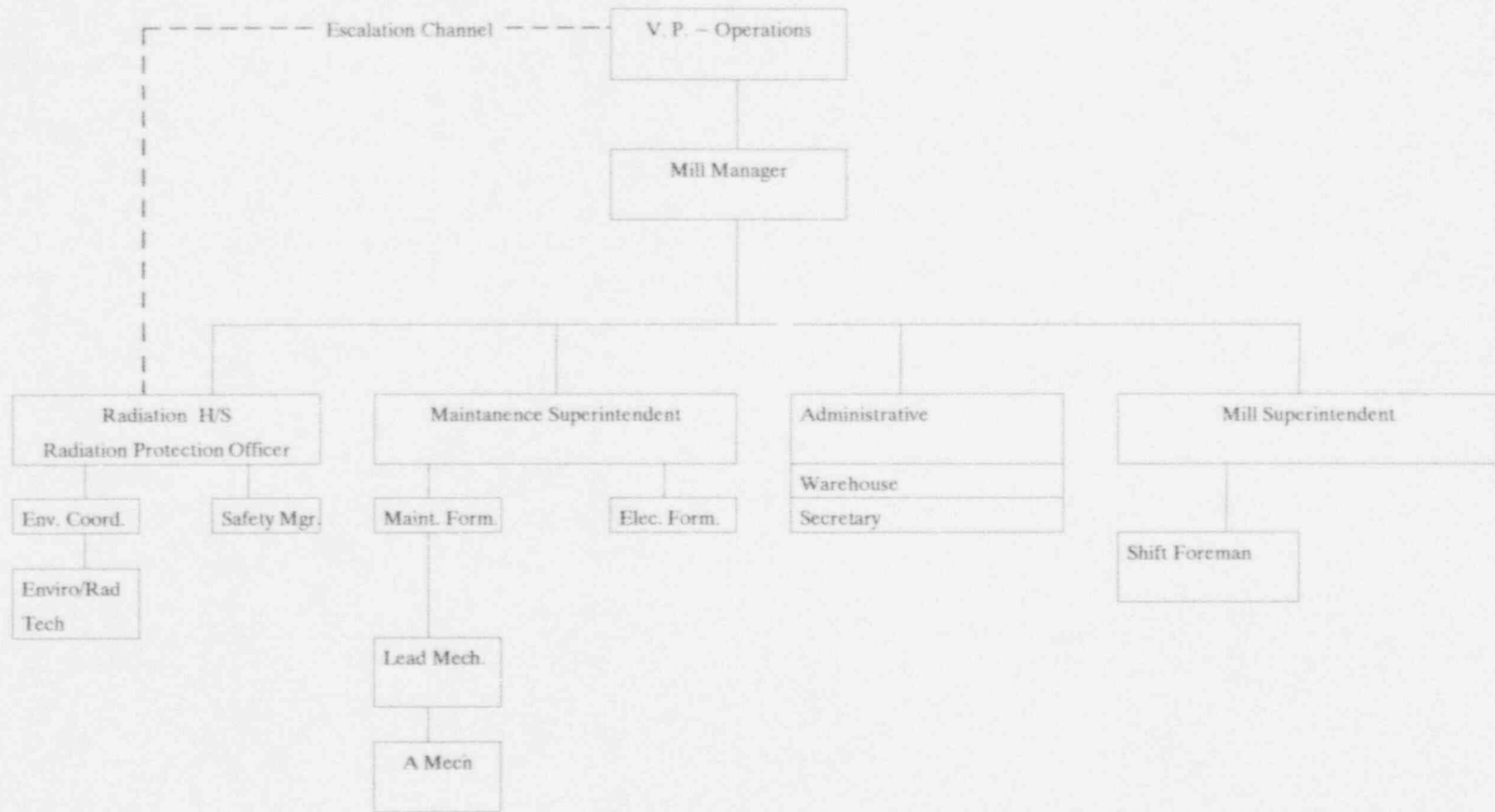


Harold R. Roberts
Vice President, Operations
Energy Fuels Nuclear, Inc.

4-8-94

Date

Energy Fuels Nuclear, Inc.
 White Mesa Mill
 Management and Standby Organization Chart



cc: W. W. Brice, Umetco-White Mesa
D. W. Butcher, Umetco - Danbury
S. C. Cain, Umetco - Grand Junction
B. L. Doores, Concord - Denver
W. M. Mays - Energy Fuels - Denver
P. J. Morgan, Umetco - Danbury
G. G. Ray, Umetco - White Mesa
H. R. Roberts, Energy Fuels - Denver
W. J. Sinclair, Utah Radiation Control
P. K. Willmott, Concord - Denver