

**REVISED SAFETY EVALUATION REPORT FOR THE  
PROPOSED INDIRECT TRANSFER OF CONTROL FOR NRC BYPRODUCT  
MATERIALS LICENSE NUMBER 47-24917-01, GUYANDOTTE MINING, LLC**

**DATE:** February 6, 2020

**DOCKET NO.:** 03030008

**LICENSE NO.:** 47-24917-01

**LICENSEE:** Guyandotte Mining, LLC  
3228 Summit Square Place, Suite 180  
Lexington, KY 40509

**TECHNICAL REVIEWER:** Leonardo Wardrobe

**SUMMARY AND CONCLUSIONS**

Guyandotte, LLC (Guyandotte), a wholly owned subsidiary of Blackhawk Mining LLC (Blackhawk), holds a byproduct materials license issued by the U.S. Nuclear Regulatory Commission (NRC). Under NRC Materials License 47-24917-01, Guyandotte is authorized to use and possess byproduct material at Ruffner Surface Mine, (3.1 miles northeast of) Man, West Virginia off Secondary Route 14, near Yolyn, West Virginia and Fanco Preparation Plant and Fanco Loadout Facility Stockpile and Building, off Secondary Route 16 (4.5 miles northeast of Man), Fanco, West Virginia, for purposes of performing density, level, and interface measurements.

By letter dated August 29, 2019 (Agencywide Documents Access and Management System (ADAMS) Accession Number ML19242C745) as supplemented by email dated November 5, 2019 ML19351D629), Blackhawk and Blackhawk Sub, LLC (Blackhawk Sub) requested the NRC's consent to an indirect transfer of control of the above license from Blackhawk to Blackhawk Sub. The indirect transfer resulted from a Plan of Reorganization (Plan) originally confirmed by the U.S. Bankruptcy Court (Case Number 19-11595-LSS) on August 29, 2019 and a revised Plan that was confirmed on October 25, 2019. The revised Plan provides for Blackhawk Sub to acquire all assets of Blackhawk, which consist primarily of the equity interests in its subsidiaries, including Guyandotte. Pursuant to the Plan, Blackhawk's subsidiaries, including Guyandotte, will become indirect, wholly-owned subsidiaries of Blackhawk Sub.

The request for consent was originally reviewed by NRC staff, for an indirect transfer of control of a 10 CFR Part 30 licensee using the guidance in NUREG-1556, Volume 15, Revision 1, "Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," dated September 12, 2019. The NRC staff finds that the information submitted by Blackhawk and Blackhawk Sub sufficiently describes and documents the transaction made by Blackhawk and Blackhawk Sub.

As required by 10 CFR 30.34 and section 184 of the Atomic Energy Act, as amended (the Act), NRC staff has reviewed the application and finds that the transfer of control is still accordance with the Act. The staff finds that Guyandotte may continue to use byproduct material for the

purpose requested and has the equipment, facilities, and procedures needed to protect public health and safety, and promote the common defense and security.

### **SAFETY AND SECURITY REVIEW**

According to the data obtained from the NRC's Web Based Licensing (WBL), Guyandotte has been an NRC licensee since May 21, 1987. The NRC conducted a main office inspection of Guyandotte on October 30, 2018, for NRC Materials License No. 47-24917-01, and one violation was identified during the inspection. The commitments made by New Blackhawk state that under the transaction, the following will not change:

- A. the radiation safety officer listed on the NRC license;
- B. the personnel involved in licensed activities;
- C. the equipment authorized in the NRC license;
- D. the radiation safety program authorized in the NRC license; or
- E. the maintenance of required surveillance and decommissioning records.

New Blackhawk stated that Guyandotte will maintain the decommissioning records.

Pursuant to a plan of reorganization that was approved by the U.S. Bankruptcy Court, the transfer in ownership of Guyandotte from Blackhawk to Blackhawk Sub occurred on October 31, 2019. Because it does not possess an NRC or Agreement State materials license, Blackhawk Sub is considered an unknown entity following guidance provided by the NRC's Nuclear Material Safety and Safeguards (NMSS) "Checklist to Provide a Basis for Confidence that Radioactive Materials Will be Used as Specified on the Application," January 29, 2019, revision. The purpose of this aspect of the review is for the NRC to obtain reasonable assurance that the licensed material will be used for its intended purpose. Due to changes in the plan of reorganization, the pre-licensing visit was performed concurrently with the Purchase and Transfer Agreement, effective October 31, 2019. Based on the visit the NRC has confirmed that there is reasonable assurance that Blackhawk Sub will use the licensed material for its intended purpose and not for malevolent use.

Guyandotte is not required to have decommissioning financial assurance based on the types and amount of material authorized in NRC Materials License No. 47-24917-01.

### **REGULATORY FRAMEWORK**

Section 184 of the Atomic Energy Act of 1954, as amended, prohibits the transfer of control of any license unless the Commission finds that the transfer is in accordance with the Act and consents to the transfer in writing.

Guyandotte holds NRC Materials License No. 47-24917-01, which was issued under 10 CFR Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material." The NRC is required by 10 CFR 30.34(b) to determine if the change of control is in accordance with the provisions of the Act and give its consent in writing. 10 CFR 30.34(b) states:

No license issued or granted pursuant to the regulations in this part and parts 31 through 36, and 39 nor any right under a license shall be transferred, assigned or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of the Act and shall give its consent in writing.

As previously indicated, the staff evaluation associated with the transfer of control is based on guidance in NUREG-1556, Volume 15, Revision 1. The Blackhawk and Blackhawk Sub request for written consent describes an indirect transfer of control of the NRC license held by Guyandotte, resulting from acquisition of all Blackhawk assets by Blackhawk Sub. Following the reorganization, Guyandotte will continue the licensed activities but be owned by Blackhawk Sub, and, as such, the transfer requires the NRC's consent.

### **DESCRIPTION OF TRANSACTION**

The transaction, which was completed on October 31, 2019, is described in ADAMS accession number ML19242C745 and ML19351D629. In the transaction, Blackhawk Sub acquire all the assets of Blackhawk pursuant to a plan of reorganization that was approved by the U.S. Bankruptcy Court. After completion of the reorganization, Blackhawk Sub owns Guyandotte, which will continue the activities described under the current license and is in control of all licensed activities under NRC Materials License No. 47-24917-01. The NRC staff finds that the request for consent adequately provides a complete and clear description of the transaction and is consistent with the guidance provided in section 5 and Appendix E of NUREG-1556, Volume 15, Revision 1.

### **TRANSFeree'S COMMITMENT TO ABIDE BY THE TRANSFEROR'S COMMITMENTS**

The NRC staff finds that the information submitted by Blackhawk and Blackhawk Sub sufficiently describes the transaction; documents the licensee's commitments; and demonstrates that licensee personnel have the experience and training to properly implement and maintain the license and that they will maintain the existing records.

The submitted information also demonstrates that the licensee will abide by all existing commitments in the license, consistent with the guidance in NUREG-1556, Volume 15, Revision 1.

### **ENVIRONMENTAL REVIEW**

An environmental assessment for transfer of control is not required because this approval of the described transfer of control is categorically excluded under 10 CFR 51.22(c)(21).

### **CONCLUSION**

The NRC staff has reviewed the original request for consent and the additional information submitted by Blackhawk and Blackhawk Sub regarding an indirect transfer of control of NRC Materials License No. 47-24917-01 pursuant to 10 CFR 30.34(b) and confirms the original consent given, in letter dated September 12, 2019 (ML19273A471), to the proposed indirect transfer of control.

Consistent with the guidance in NUREG-1556, Vol. 15, Rev. 1, the submitted information sufficiently describes the transaction, documents the understanding of the license and commitments of the transferee, and demonstrates that personnel have the experience and training to properly implement and maintain the license and that the licensee will maintain the existing records. The submitted information also demonstrates that the transferee will abide by all existing commitments in the license, consistent with the guidance in NUREG-1556, Volume 15, Rev 1.

Therefore, the staff concludes that the proposed transfer of control would not alter the previous findings, made under 10 CFR Part 30, that licensed operations will not be inimical to the common defense and security, or to the health and safety of the public.