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**UNOCAL®**

MOLYCORP

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11004455

Edmund C. Barnum  
Manager, Technical Services

June 13, 1991

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Ms. Betty L. Wright  
Export/Import Licensing Officer  
Office of International Programs  
United States Nuclear Regulatory Commission  
Washington, D. C. 20555  
Tel. No. 301-492-0342  
Fax. No. 301-492-0395

Dear Ms. Wright,

Request for Export Licenses

Attached are Molycorp's requests for two specific licenses authorizing export of lanthanide (rare earth) products containing up to 1.0% weight thorium and/or uranium. The applications have been filed on NRC Form 7 in accordance with Part 110 of Title 10, Chapter 1, Code of Federal Regulations-Energy.

The first request is for a specific license for 200,000 kilograms and would be replacing the current license XT08558. Countries to be covered would include Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Mexico, Netherlands, Norway, South Korea, Spain, Sweden, Switzerland, Taiwan, and United Kingdom. Our previous license which expires in December, 1992, and does not include Taiwan and South Korea, was issued for 100,000 kilograms. Currently, Molycorp has shipped over 82,000 kilograms of thorium impurities under this license that was issued November 23, 1982.

The second request is for a specific license for 9,500 kilograms to cover all countries except Cuba, Kampuchea, North Korea, and Vietnam. This license would replace XT08552 that was amended November 23, 1982 and issued for 9,500 kilograms. Molycorp currently exports material to South Korea and Taiwan under this license and it is primarily the increased shipments to these two countries that has filled the limit for this license. Other countries that we have shipped to under this license are Argentina, Brazil, Egypt, Hungary, and New Zealand.

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Molycorp, Inc., is a Unocal Company, headquartered in Los Angeles. Our Mountain Pass, California, deposit of bastnasite is the only commercial significant lanthanide deposit in the United States. Molycorp has lanthanide processing plants in Mountain Pass; Louviers, Colorado; York, Pennsylvania; and Washington, Pennsylvania. These licenses would permit shipments from all four plants. The addresses for the plants are as follows:

Molycorp, Inc.  
Mountain Pass Mine  
67750 Bailey Road at I-15  
Mountain Pass, CA 92366  
Tel. 619-856-2201

Molycorp, Inc.  
Louviers Plant  
P.O. Box 37  
9481 N. Highway 85  
Louviers, CO  
Tel. No. 303-791-7600

Molycorp, Inc.  
York Plant  
350 N. Sherman Street  
York, PA 17403  
Tel. No. 717-845-2624

Molycorp, Inc.  
Washington Plant  
300 Caldwell Avenue  
Washington, PA 15301  
Tel. No. 412-222-5605

Bastnasite is a primarily a lanthanide fluorocarbonate mineral. The Mountain Pass orebody also contains small amounts of monazite, primarily a lanthanide thorium phosphate. The predominate lanthanides are cerium, lanthanum, neodymium, and praseodymium.

Molycorp manufactures and sells a wide variety of individual and mixed lanthanides including oxides, carbonates, chlorides, hydrates, nitrates, oxalates, and fluorides. All of Molycorp's customers consider thorium to be an impurity and no further separation of the thorium is undertaken by our customers. Natural thorium is currently only present in three of our products. At Mountain Pass, Molycorp produces bastnasite concentrate with about 0.1% thorium and cerium concentrate with about 0.2% thorium. At York, a natural cerium fluoride product has about 0.5% thorium.

Natural uranium is also present in all three products but in quantities less than one-tenth of the thorium values in these products (i.e. 20-90 ppm in bastnasite concentrate).

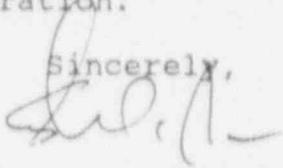
The bastnasite and cerium concentrates are exported widely in container quantities. The cerium fluoride product has only been exported to Canada in small quantities. Our Mountain Pass facility does not have a source license as all materials are exempt from licensing requirements under Part 10 CFR 40.13 (c) (1) (vi) "rare earth metals and compounds, mixtures, and products containing not more than 0.25 percent by weight thorium, uranium, or and combination of these". Discussions are underway with the State of California which is an agreement state for a source/NORM license regarding process residues. The York plant has a NRC source license, SMB-1408. The Washington plant has a NRC source license, SMB-1392. The Louviers plant has license number 500-03 from the State of Colorado as Colorado is also an agreement state.

Lanthanides have over 150 commercial applications. Cerium and bastnasite concentrates are primarily used in glass polishing compounds, glass additives for CRT screens, and as feedstock for ferroalloys for iron and steel.

The Mountain Pass plant maintains a logbook recording the estimated amount of thorium in each export shipment of bastnasite and cerium concentrates. A cumulative total is calculated after each shipment for the appropriate license. This logbook is available for inspection by representatives of the NRC or the State of California.

Thank you again for your cooperation.

Sincerely,



Edmund C. Barnum