

March 6, 1995

40-8681

Mr. Harold R. Roberts, President  
Energy Fuels Nuclear, Inc.  
1200 Seventeenth St., Suite 2500  
Denver, Colorado 80202

SUBJECT: REQUEST FOR INFORMATION ON CORPORATE ACQUISITION AND RESTRUCTURING  
AND THE STATUS OF THE WHITE MESA MILL

Dear Mr. Roberts:

The enclosed request for information is being issued as a result of recent financial problems with Energy Fuel Nuclear's (EFN's) parent company, Concord Corporation. Based on telephone conversations with you and with staff at the White Mesa facility near Blanding, Utah, the Nuclear Regulatory Commission staff understands that mill employees have been told that the company could not meet its payroll and that operations are currently suspended at the site. The White Mesa license requires that EFN conduct various activities at its site. Discontinuance of those activities would place EFN in violation of its license and NRC regulations. In order to protect public health and safety, EFN must maintain its presence at and control of its licensed site near Blanding, Utah, according to the terms of its license. EFN must continue maintenance and all environmental and safety monitoring activities at the site until it has met the requirements of Part 40, Appendix A of Title 10 Code of Federal Regulations, and must continue to comply with all applicable requirements.

Pursuant to 10 CFR 40.31(b), EFN shall submit, in writing, information to demonstrate that it will continue to be able to conduct its activities in accordance with the NRC's requirements and the conditions of its license. Details of the information requested are provided in the enclosure to this letter. You should provide your response no later than March 20, 1995. If you cannot meet this date, you should notify me immediately at (301) 415-7238. If you have any questions regarding this request, please contact the NRC Project Manager, Charlotte Abrams, at (301) 415-5808.

Sincerely,

(Original signed by Joseph J. Holonich)

Joseph J. Holonich, Chief  
High-Level Waste and Uranium  
Recovery Projects Branch  
Division of Waste Management  
Office of Nuclear Material Safety  
and Safeguards

Enclosure: As stated

cc: W. Sinclair, RCPD, UT

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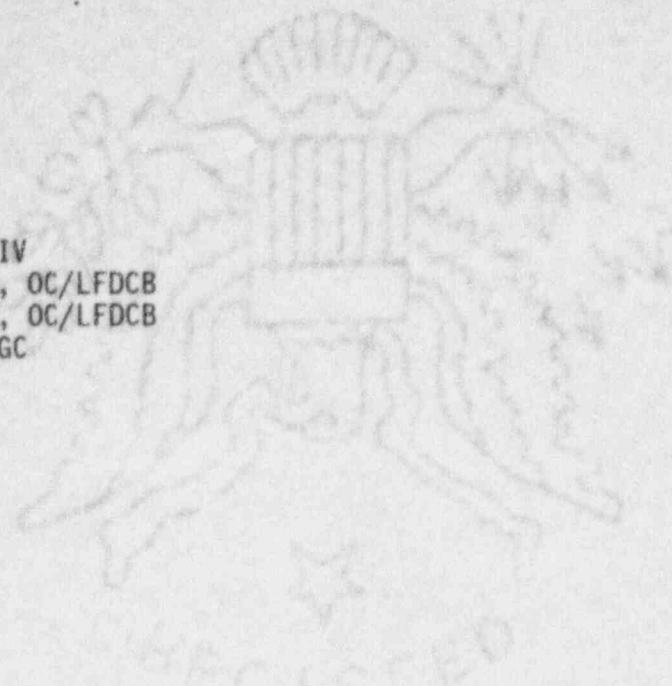
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REQUEST FOR INFORMATION - ENERGY FUELS NUCLEAR, WHITE MESA MILL

Energy Fuels Nuclear's (EFN's) license (SUA-1358) for the White Mesa Mill near Blanding, Utah, requires it to execute various activities at its site, such as conduct effluent and environmental monitoring programs, employ a qualified Radiation Safety Officer, implement an interim tailings stabilization program, and provide periodic reports to the U.S. Nuclear Regulatory Commission. Under the terms of that license EFN must continue to comply with all applicable license conditions or be in violation of that license.

On Thursday, February 16, 1995, EFN informed the NRC staff that it could no longer meet its White Mesa Mill payroll. This is of the utmost concern to the NRC and implies that EFN may no longer be willing or able to comply with the applicable statutory and regulatory requirements, including specific conditions of License No. SUA-1358. In order for the NRC to determine whether it has reasonable assurance that the Licensee will conduct its activities in accordance with NRC requirements or whether the NRC should pursue further action, EFN is requested to submit, in writing, to Joseph J. Holonich, Chief, High-Level Waste and Uranium Recovery Projects Branch, Division of Waste Management, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, by March 20, 1995, the following information:

1. How EFN intends to comply with NRC requirements and its license, including, but not limited to:
  - a. how it intends to control access to the White Mesa Mill site;
  - b. how it intends to maintain the monitoring programs required by its license;
  - c. how it intends to complete site reclamation;
  - d. how it intends to comply with the requirement for a qualified Radiation Safety Officer; and
  - e. how it intends to ensure that the facilities, including the tailings impoundment area, are properly maintained.
2. How the licensee intends to provide security for any yellowcake stored at the site, and information regarding the volume and condition of any yellowcake present at the site.
3. The names, addresses, and telephone numbers of those persons on whom the Licensee will rely for continued compliance with all NRC statutory provisions, regulations, and license conditions applicable to the White Mesa site, including, but not limited to all officers of the Licensee and members of the Licensee's Board of Directors.
4. The projected date of operation of the White Mesa Mill and the basis for why the licensee believes it will be ready to operate safely at that time.

Enclosure

5. Copies of the following financial data from the Licensee and its corporate and parent company for the past five years:
  - a. all records and reports filed with the Securities and Exchange Commission or any similar state agency;
  - b. all federal and state corporate income tax returns filed;
  - c. all bank statements and other financial accounts information, including interest earned, and interest and dividends paid;
  - d. all records reflecting remunerations to corporate officers and other members of the Board of Directors; and
  - e. all other balance sheets and cash flow statements normally kept by the licensee, including information on corporate assets and liabilities.
6. A description of any corporate reorganization activities affecting the EFN Reno Creek in situ facility, and how that reorganization will affect the operating condition of the company.
7. The corporate structure and relationships of all entities, including Concord Financial Services Inc., Nuexco Trading Corp., Energy Fuels Ltd., and Energy Fuels Exploration Co., to Energy Fuels Nuclear, Inc., and the names of all owners that hold 5% or greater interest in the White Mesa property and their ownership interest.
8. Notification, in writing, pursuant to 10 CFR 40.41(f)(1) of the details of the bankruptcy filed February 23, 1995, by the Concord Group and the relationship of EFN to that filing.
9. The financial relationship of EFN to Concord or any of the companies discussed above. How much funding is received by EFN from Concord. Any indebtedness EFN has to Concord or any of the above companies. The source of any operating cash and what arrangements have been made to pay outstanding fees for the Reno Creek (License No. SUA-1558) and the White Mesa (License No. SUA-1358) sites.
10. An explanation of the arrangement with Umetco regarding the financial surety for decommissioning, including a discussion of what is Umetco's responsibility and what contract arrangements exist with Umetco.

If you wish any of the information submitted to be withheld from public disclosure because of confidential financial or personal information, a non-proprietary and a proprietary version of all information must be submitted. Also, you must specifically identify any information to be withheld from public disclosure and, pursuant to 10 CFR 2.790(b), provide an affidavit stating the basis for your request.