

APR 01 1985

Docket No. 40-08794

License No. SMB-1408

Molycorp, Incorporated
ATTN: Mr. Warren Warhol
Vice President for Manufacturing
P. O. Box 54945
Los Angeles, California 90054

Gentlemen:

Subject: Inspection No. 40-08794/84-01

This refers to the routine safety inspection conducted by Mr. J. McFadden of this office on December 4, 1984, at your site at 350 East Sherman Street, York, Pennsylvania, of activities authorized by NRC License No. SMB-1408 and to the discussions of our findings held by Mr. McFadden with Messrs. W. Doyle and S. Douglas of your staff at the conclusion of the inspection.

The inspection was an examination of activities conducted under your license as they relate to radiation safety and to compliance with the Commission's rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, measurements made by the inspector, and observations by the inspector.

Within the scope of this inspection, no violations were observed.

As discussed during the inspection, the NRC plans to have a Radiological Site Assessment Program (RSAP) team from Oak Ridge Associated Universities (ORAU) perform a radiological survey of your site. Your staff's cooperation with Mr. J. Berger, an ORAU representative, during the inspection on December 4, 1984, is appreciated. The ORAU team's survey will include an evaluation of licensed material present on your site including contamination, especially that in the basin and waste pile areas, and an evaluation of the effluent pathways to unrestricted areas. A representative of this office will contact you to coordinate the dates for this survey.

While no violations were observed during the inspection, we are concerned about the growing volume of waste which is collecting as a result of your activities. We are also concerned that some of this waste is stored in a partially uncovered waste pile and others in 55-gallon drums exposed to the weather. Therefore, in reply to this letter, please provide the following information:

1. Detail your efforts to date and plans for developing an acceptable final disposal method for this waste.
2. Provide a current inventory of waste by location and storage mode.

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3. Provide estimates of your future expected waste generation.
4. Describe how you assure that material from the waste pile does not leave your site.
5. Describe your procedures or techniques for assuring that 55-gallon drums or other containers do not deteriorate.

Please provide the requested information within sixty (60) days of receipt of this letter.

We would like to call to your attention the requirements in 10 CFR 51 (copy enclosed). In accordance with 10 CFR 51.60, you will be required to submit an Environmental Report in support of your application to renew License No. SMB-1408 early in 1987. The storage and terminal disposal of these wastes and the final decontamination of these facilities will need to be completely discussed and their impacts assessed in this report. Current policy with regard to decontamination is contained in the enclosed Federal Register Notice (46 FR 52061).

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and your reply will be placed in the Public Document Room.

The responses directed by this letter are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Your cooperation with us in this matter is appreciated.

Sincerely,

Original Signed By:
John D. Kinneman

John D. Kinneman, Chief
Nuclear Materials Safety
Section A

Enclosures:

1. 10 CFR 51
2. 46 FR 52061-63

cc w/encls:
Public Document Room (PDR)
Nuclear Safety Information Center (NSIC)
Commonwealth of Pennsylvania

Molycorp, Inc.
ATTN: Mr. William Doyle
General Manager
350 East Sherman Street
York, Pennsylvania 17403

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bcc w/encls:
Region I Docket Room (w/concurrences)
Senior Operations Officer (w/o encls)
J. McFadden, RI
D. Cool, NHSS
J. Counts, IE
P. Lohaus, RI


RI:DRSS
J. McFadden/ms

3/18/85


RI:DRSS
J. Kinneman

3/28/85

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