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40-8904/HDR/86/12/29/0

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JAN 07 1987

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 URFO r/f

URFO:HDR
 Docket No. 40-8904
 License No. SUA-1472

Kennecott
 ATTN: Mr. Gregory H. Boyce
 Director, Environmental Affairs
 10 East South Temple
 P.O. Box 11248
 Salt Lake City, Utah 84147

Gentlemen:

This refers to the special inspection conducted by Messrs. Pete J. Garcia and Howard D. Rose of this office on November 5, 1986, of the site decommissioning activities authorized by NRC Source Material License SUA-1472 and to the discussion of our findings held by the inspectors with your staff at the conclusion of the inspection. The enclosed NRC Inspection Report 40-8904/86-002 documents this inspection.

The inspection was an examination of the activities conducted under the license as they relate to the decommissioning of the mill, the general mill site disposal area, the condition of the tailings dam area, compliance with the Commission's rules and regulations, and the conditions of the license. The inspection consisted of a field examination of the partially dismantled mill, the tailings disposal area and interviews of licensee personnel.

The inspectors observed no apparent violations for those activities examined during this inspection.

In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room.

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Should you have any questions concerning this letter, we will be pleased to discuss them with you.

Sincerely,

/S/
 Harry J. Pettengill
 Licensing Branch 2
 Uranium Recovery Field Office
 Region IV

Enclosure: Appendix A - NRC Inspection Report No. 40-8904/86-002

cc: State of New Mexico
 Radiation Protection Bureau
 Environmental Improvement Division

bcc: Lee Anzures, President
 Cebolleta Land Grant

OFC	: URFO	: URFO	: URFO	: URFO	: RIV	: RIV
NAME	: HRose/rs	: PJGarcia	: HPettengill	: RDSmith	: DPowers	: DPowers
DATE	: 87/01/06	: 1/6/87	: 1/7/87	: 1/7/87	: 1/6/87	: 1/6/87