

AUG 12 1987

In reply Refer To:
Docket: 40-3453/Cal: 87-15

Atlas Minerals
ATTN: Richard Blubaugh, Regulatory Affairs Manager
743 Horizon Court, Suite 105
Grand Junction, Colorado 81506

Dear Mr. Blubaugh:

SUBJECT: CONFIRMATION OF ACTION LETTER

This is to confirm the conversations between Messrs. Richard R. Weaver and Richard Blubaugh, Atlas Corporation, and Mr. Harry Pettengill, U.S. Nuclear Regulatory Commission, Region IV, on August 10 and 11, 1987. Atlas Corporation was issued an Order on July 31, 1987 which denied their pending renewal application and thereby terminated its previously licensed activities. The Order mandated those conditions under which Atlas Corporation would maintain the site in a safe condition. The Order authorized only the possession of uranium byproducts and other associated past milling wastes. Atlas Corporation has on August 10, 1987 notified the U.S. Nuclear Regulatory Commission that they have a remaining inventory of approximately 300,000 pounds of uranium product in locked storage at the mill site awaiting final disposition. Based on our conversation, it is my understanding that Atlas Corporation is taking the following actions:

1. Atlas Corporation will, during that period until final disposition and transfer of the uranium product has occurred, ensure that the product is kept secured and under proper surveillance in two buildings (East Hanger and Truck Garage) at the Atlas mill site.
2. Atlas Corporation will provide to the Uranium Recovery Field Office, U.S. Nuclear Regulatory Commission a thorough accounting of its uranium product inventory designating its physical form, location, and amounts in writing by August 31, 1987.
3. Atlas Corporation will assure the transfer of uranium product already under 1988 delivery contract to a duly licensed recipient no

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PDR ADDCK 04003453
C PDR

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

URFO *[Signature]*
HPettengill:cms
8/12/87

RIV:EQ *[Signature]*
DAPowers
8/12/87

D/DRSS *[Signature]*
RLBangart
8/12/87

RA *[Signature]*
RDMartin
8/12/87

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later than January 31, 1988. Atlas will submit written verification of the transfer to the Uranium Recovery Field Office, U.S. Nuclear Regulatory Commission, no later than February 15, 1988.

4. Atlas Corporation will assure the transfer and provide written verification to the Uranium Recovery Field Office, U.S. Nuclear Regulatory Commission of all remaining contracted and uncontracted uranium product to a party or parties authorized to receive and possess uranium source material by January 31, 1988 or, in lieu of such transfer of remaining product, Atlas Corporation will file a license application for possession only of the remaining uranium source material by November 30, 1987. If Atlas Corporation files an application for a possession license, the application will contain a commitment to assure removal of the source material from the mill site no later than the approved completion date of mill site decommissioning.

Issuance of this Confirmatory Action Letter does not preclude the issuance of an Order formalizing the above commitments. If your understanding of the above is different, please notify me immediately.

Sincerely,

Original signed by:

Robert D. Martin

Robert D. Martin
Regional Administrator

cc:

Richard R. Weaver, President
Atlas Corporation
353 Nassau Street
Princeton, New Jersey 08540

Larry F. Anderson, Director
Bureau of Radiation Control
Department of Health
P.O. Box 16700
Salt Lake City, Utah 84116-0700

bcc:

✓ DMB IE-07 (Materials)
Director, DRSS, RIV
Director, OE
Enforcement Officer, RIV
Secretary, OE
Secretary, Regional Administrator, RIV
Director, URFO
Chief, Licensing Branch 2, URFO