



ROY R. CELLAN
CORPORATE MANAGER
RECLAMATION

ENVIRONMENTAL, HEALTH, SAFETY
AND GOVERNMENT AFFAIRS

April 11, 1999

VIA UPS NEXT DAY AIR EXPRESS: N009 907 111 5

Mr. Thomas H. Essig, Branch Chief
US NRC
Uranium Recovery & Low Level Waste Branch
Division of Waste Management MST-7-J-9
Office of Nuclear Material Safety and Safeguards
11545 Rockville Pike
Washington, DC 20852

**Re: Docket No. 40-8903
License No. SUA-1471
Financial Surety for 2000**

Dear Mr. Essig:

Homestake Mining Company of California requests that the financial surety for the Grants property be revised down from the \$24.0 million, approved in 1999, to \$21.7million. We feel that this amount represents the necessary funds to cover the remaining reclamation work at our Grants site.

The reduction of \$2.3 million is due to removing costs associated with general administration and property holding that have been carried in the estimate in the past. These costs were never part of the original reclamation plan estimate completed in 1993.

As required by 10 CFR Part 40, Appendix A, Criteria 9 and 10, I have attached a summary of the reclamation obligations as outlined in the 1993 reclamation plan and a 2000 cost forecast for the remaining reclamation tasks. This estimate of the remaining work will serve as our annual update for the final closure cost for this project.

Homestake's corporate office is in the process of preparing the documentation supporting the financial test to demonstrate financial assurance as required by our License No. SUA-1471, License Condition 28 and as specified by 10 CFR Part 40, Appendix A. This information will be submitted to the NRC from our corporate office in time to meet the anniversary date of June 30th, 2000.

If you have any questions, please call me at Grants at (505) 287-4456. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Roy R. Cellan", written over the word "Sincerely,".

Attachments

cc: Mr. Ken Hooks, NRC Project Manager w/encl
Mr. B. Spitzberg, NRC Arlington, TX w/encl
Mr. Harold F. Barnes, HMC SFO w/encl

HOMESTAKE MINING COMPANY
P.O. BOX 98 • GRANTS, NM 87020-0011

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**ENVIRONMENTAL, HEALTH, SAFETY, AND GOVERNMENTAL AFFAIRS
GRANTS PROJECT**

**SUMMARY OF ESTIMATED RECLAMATION COSTS
01/01**

Activity	Reclamation Plan 1993	Accumulated Costs As of 12/31	Reclamation Covered by Surety
Facility decommissioning	1,680,000	2,169,993	0
Cover & regrade demolished mill area	359,408	1,018,724	0
Contaminated soil cleanup / site recontouring	335,654	8,123,714	0
Ground water monitoring	8,216,000	13,439,739	14,039,000
Well plugging	39,000	0	162,000
Interim stabilization	460,785	2,786,621	0
Recontouring of tailing piles:			
Large pile	3,650,775	4,255,120	0
Small pile	112,936	0	0
Settlement monitoring	35,000	112,225	21,000
Construction of radon barriers (soil covers):			
Borrow area preparation	24,604	109,097	0
Large pile	7,036,281	4,317,754	3,520,000
Small pile	3,683,264	0	1,200,000
Construction of rock cover:			
Produce and stockpile rock	2,090,663	2,360,379	0
Load, haul and place / spread	1,698,559	67,035	503,000
Scour protection trench excavation and backfill	5,608	0	0
Revegetation and fencing:			
Revegetation	450,000	1,741,759	0
Fencing	22,035	80,120	0
Levee construction	169,875	151,034	0
Removal collection pond & evaporation pond no. 2	97,735	0	574,000
Facility capacity increase	0	1,418,039	0
Long-term surveillance and control	539,000	0	615,000
Radiological survey and environmental monitoring	746,972	3,533,749	761,000
Management / engineering costs for reclamation	900,000	816	0
Quality control testing	435,000	1,169,802	323,000
Subtotal	\$32,789,154	46,855,720	\$21,718,000
Contingency 15%	4,918,373		
Total	\$37,707,527	46,855,720	\$21,718,000

GRANTS RECLAMATION PROJECT																
GROUND WATER RESTORATION PROGRAM																
(1,000"s)																
DESCRIPTION	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
GROUND WATER RESTORATION																
Labor	390	390	390	390	330	330	330	330	330	330	220	220	220	165	105	4,470
Estimated Annual O & M	620	590	590	490	450	450	300	300	200	200	200	100	100			4,590
Bio-Cell Research & Pilot Testing	95	50	50	50	50	50	10	10	10	50	50					475
RO Plant Construction	600															600
Irrigation Systems Installation	76															76
Drilling	44	50	50	50	50	50	50	66	66							476
Water Monitoring	97	102	102	92	92	92	90	90	75	75	75	45	45	35	34	1,141
Well Abandonment									60				102			162
Consulting	140	140	140	140	140	140	140	140	120	100	100	102	75	50	25	1,692
General Other	27	45	45	45	45	36	36	16	14	12	12	10	8	3	3	357
	1,699	977	977	867	827	818	626	622	545	437	437	257	330	88	62	14,039

GRANTS RECLAMATION PROJECT
COST SUMMARY

Description	Labor	Equipment	Supplies /Elec	SubContr	Total
Ground Water Monitoring	4,470,000		5,647,000	3,922,000	14,039,000
Well Plugging			25,166	136,834	162,000
Interim Stabilization					0
Recontouring Large Pile					0
Settlement Monitoring				21,000	21,000
Constr Radon Barrier Large Pile				3,520,000	3,520,000
Constr Radon Barrier Small Pile				1,200,000	1,200,000
Construction of Rock Cover				503,000	503,000
Remv Coll Pond & Evap Pond 2		94,000	240,000	240,000	574,000
Long Term Surveillance & Control				615,000	615,000
Radiological Survey & Envir Monitor			150,000	611,000	761,000
Management/ Engr costs for Reclam					0
Quality Control Testing			83,000	240,000	323,000
Total Estimated Cost	4,470,000	94,000	6,145,166	11,008,834	21,718,000