



ROY R. CELLAN
CORPORATE MANAGER
RECLAMATION

ENVIRONMENTAL, HEALTH, SAFETY
AND GOVERNMENT AFFAIRS

March 30, 2001

VIA UPS Next Day Air: 1Z 875 261 01 1002 017 5

Mr. Philip Ting, Branch Chief
U.S. Nuclear Regulatory Commission
Division of Fuel Cycle Safety & Safeguards
Fuel Cycle Licensing Branch, MS T-8A33
11545 Rockville Pike
North Bethesda, MD 20852

**Re: Docket No. 40-8903
License No. SUA-1471
Financial Surety for 2001**

Dear Mr. Ting:

This letter services as notification that Homestake Mining Company of California (HMC) does not intend to request an adjustment to the current \$24 million financial surety to cover the remaining reclamation work at the Grants site for 2001.

As required by 10 CFR Part 40, Appendix A, Criteria 9 and 10, attached is a summary of the reclamation obligations, as outlined in the 1993 reclamation plan, and a copy of the 2001 cost forecast for the remaining reclamation tasks. This estimate will serve as the annual update for the final project closure cost. HMC is in the process of preparing the documentation supporting the financial test to demonstrate required financial assurance as specified by License Condition 28. This information will be submitted from our corporate office in time to meet the anniversary date of June 30, 2001.

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

Thank you.

Sincerely,

Attachments

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

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

**SUMMARY OF ESTIMATED RECLAMATION COSTS
Financial Surety Forecast for 2001 ¹**

Activity	Reclamation Plan 1993	Forecasted Costs As of 12/31/01	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	13,134,373	13,439,739	14,479,505
Well plugging	39,000	0	181,636
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	20,600
Construction of radon barriers (soil covers):			
Borrow area preparation	24,604	109,097	0
Large pile	7,036,281	4,317,754	3,238,659
Small pile	3,683,264	0	1,471,290
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	540,526
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	717,284
Facility capacity increase	0	1,418,039	0
Long-term surveillance and control	539,000	0	635,000
Radiological survey and environmental monitoring	746,972	3,533,749	1,330,150
Management / engineering costs for reclamation	900,000	816	1,102,850
Quality control testing	435,000	1,169,802	282,500
Total	\$37,707,527	48,025,522	\$24,000,000

GRANTS RECLAMATION PROJECT

2001- 02 SURETY PERIOD

ESTIMATED COST SUMMARY DETAIL

Description	Labor	Equipment	Supplies /Elec	SubContr	Total
Ground Water Monitoring	4,470,000		5,647,000	4,362,505	14,479,505
Well Plugging			25,000	156,636	181,636
Interim Stabilization					0
Recontouring Large Pile					0
Settlement Monitoring				20,600	20,600
Constr Radon Barrier Large Pile				3,238,659	3,238,659
Constr Radon Barrier Small Pile				1,471,290	1,471,290
Construction of Rock Cover				540,526	540,526
Renv Coll Pond & Evap Pond 2		94,000	253,284	370,000	717,284
Long Term Surveillance & Control				635,000	635,000
Radiological Survey & Envir Monitor			169,150	1,161,000	1,330,150
Management/ Engr costs for Reclam				1,102,850	1,102,850
Quality Control Testing			42,500	240,000	282,500
Total Estimated Cost	4,470,000	94,000	6,136,934	13,299,066	24,000,000

GRANTS RECLAMATION PROJECT
GROUND WATER RESTORATION PROGRAM

(1,000's)

DESCRIPTION	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
GROUND WATER RESTORATION														
Labor	390	390	390	390	350	330	330	330	220	220	220	165	105	3,830
Estimated Annual O & M	950	875	875	850	790	600	600	600	200	100	100			6,540
Bio-Cell Research & Pilot Testing	75	75	50	50	40	20	20	60	60					450
RO Plant Construction														0
Irrigation Systems Installation														0
Drilling	50	50	50	50	50	66	66							382
Water Monitoring	102	92	92	92	90	90	75	75	75	45	45	35	34	942
Well Abandonment							60				102			162
Consulting	240	240	240	200	200	200	120	100	100	102	75	50	25	1,892
General Other	45	45	45	36	36	16	14	11	10	10	8	3	3	282
	1,462	1,377	1,352	1,278	1,206	992	955	846	445	257	330	88	62	14,480