

September 28, 2001

Ms. Donna L. Wichers,
General Manager
COGEMA Mining, Incorporated
P.O. Box 730
Mills, WY 82644

SUBJECT: ACCEPTANCE REVIEW FOR THE ANNUAL SURETY UPDATE

Dear Ms. Wichers:

The U.S. Nuclear Regulatory Commission (NRC) staff has completed its acceptance review of your proposed annual surety update submitted August 18, 2001, for the COGEMA Mining, Inc. (COGEMA) Irigaray and Christensen Ranch *In Situ* Leach Uranium Projects. The submittal met the anniversary date in License Condition 9.5, and the Consumer Price Index value of 19.1 percent (August 1994 to July 2001) used for some line items of the decommissioning cost estimate is correct. However, the fifth paragraph of License Condition 9.5 states that "...cost estimates and annual updates should follow the outline in Appendix E to NUREG-1569..." The submittal does not have some of the detail referred to in Appendix E and the detail is needed by NRC staff to evaluate some items listed in the cost estimate.

One example of where detail is needed is Table 1 (page 1) of the submittal that lists Miscellaneous Costs Associated with Third Party Contractors. The discussion sheet states that these categories and percentages are taken from the Wyoming Department of Environmental Quality's Guideline 12, with one exception. The NRC staff has no way of knowing if the percentages (or cost equivalents) in this table are realistic. Also, on pages 7 and 8, the facility decommissioning costs do not have the current breakdown of decontamination or dismantlement unit costs so that the unit amount can be evaluated.

In addition, the basis for the cost of rental equipment, personnel, and energy have not been provided. On page 5 of the worksheets, the stabilization monitoring costs are the same as the 1994 estimates but power and sample analysis costs probably have increased. Citing the R.S. Means Heavy Construction Cost Data Book, or the Wyoming equivalent, or recent billing statements is acceptable for providing the basis for specific cost estimates.

Please provide the required information within 30 days so that the surety review can be completed as scheduled. If you have any questions concerning this letter, please contact Elaine Brummett, the NRC project manager for the Irigaray and Christensen Ranch facilities, at (301) 415-6606 or by e-mail to esb@nrc.gov.

D. Wichers

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be available electronically from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Melvyn Leach, Chief
Fuel Cycle Licensing Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No: 40-8502
SUA-1341

cc: G. Mooney, WDEQ - District III
R. Poyser, COGEMA

D. Wichers

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/RA/

Melvyn Leach, Chief
Fuel Cycle Licensing Branch
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Office of Nuclear Material Safety
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R. Poyser, COGEMA

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OFC	FCLB		FCLB		FCLB			
NAME	EBrummett*		GJanosko		MLeach			
DATE	9/27/01		9/28/01		9/28/01			

*See previous concurrence

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