

COGEMA
Mining, Inc.

License SUA-1341
Docket No. 40-8502

October 14, 2002

Mr. Daniel Gillen, Chief
Fuel Cycle Facilities Branch
U.S. Nuclear Regulatory Commission
Mail Stop T-8A33
Two White Flint North
11545 Rockville Pike
Rockville, MD 20852-2738

*Please docket
40-8502
Thank you.
Jr*

RE: Acceptance Review for the Annual Surety Update

Dear Mr. Gillen,

Thank you for your September 27, 2002 letter regarding NRC's completion of their acceptance review of COGEMA Mining, Inc.'s August 16, 2002 annual surety update. Our responses to the pertinent comments are as follows:

1. Consumer Price Index (CPI) adjustment: Table 1, Summary of Reclamation / Restoration Bond Estimate 2002-2003 (Page 1) of COGEMA's August 16 surety update has been corrected to show the CPI base of July 2001 (no change from the 177.5). COGEMA's calculation of a 1.35% increase in the CPI is correct, but there is a typographical error on Table 1 showing the June 2002 CPI as 179.5 when it was 179.9. A revised Table 1 is attached showing the corrections to July 2001, and to 179.9 for the June 2002 CPI.
2. COGEMA's request for \$684,142 reduction in surety to reflect work accomplished: As indicated, COGEMA has requested a reduction to reflect work completed in the areas of groundwater restoration, well plugging and abandonment and pond reclamation. The specific amounts are as follows:

-	Groundwater Sweep = \$277,623 (Irigaray + Christensen)
	Irigaray: Units 1-5 \$110,132
	Units 6-9 <u>\$ 46,674</u>
	Total \$156,806
	Christensen: Unit 2 \$ 22,593
	Unit 3 \$ 20,004
	Unit 4 \$ 16,145
	Unit 5 <u>\$ 62,075</u>
	Total \$120,817

One year of restoration labor (groundwater sweep plus reverse osmosis) completed during the annual review period: \$351,520

Total restoration reduction requested: \$629,143

- 517 Pond Reclamation = \$46,039

NMSSD1



\$44,984 = sludge, liner and leak detection removal, byproduct shipments to PMC.
\$1,055 = completed radiation surveys.

- Well P&A = \$8,960
- Grand total reductions = \$684,142

Groundwater Restoration Explanations

COGEMA's groundwater restoration plan calls for 1 pore volume (PV) of groundwater sweep, 5 PVs of reverse osmosis treatment, and 1 PV of recirculation (with or without reductant). Groundwater sweep is the first phase whereby the wellfield is pumped with no re-injection of the groundwater. The 100% consumptive removal of the 1 PV is designed to pull back to the wellfield any mining solutions that have migrated beyond the boundary of the wellfield. This way, all mining solutions are back within the pattern area for treatment with reverse osmosis during the next phase of restoration.

At Irigaray, the groundwater sweep phase was completed in all wellfields several years ago. Additionally, all PVs of reverse osmosis treatment have been completed, the 1 PV of recirculation has been completed, and stabilization monitoring has been completed. We are working on the last step in our modeling of the final groundwater concentrations for inclusion into the final restoration report.

At Christensen, the groundwater sweep step is also complete for all wellfields with the exception of Mine Unit 6. In addition, reverse osmosis treatment has been completed in Mine Units 2 and 3, and the fields are in standby waiting for our reductant equipment to be installed for the final PV of recirculation (with chemical reductant). Mine Unit 4 reverse osmosis treatment will be completed this month (October) and will be the first to undergo recirculation with the reductant. Mine Unit 5 is currently in the reverse osmosis treatment phase and Mine Unit 6 is nearing completion of the groundwater sweep step.

If COGEMA were told by the regulatory agencies that more restoration was needed in a particular wellfield after we submit a request for release, COGEMA would probably not go back to the first step of restoration (groundwater sweep). Instead, in all likelihood, we would focus on additional reverse osmosis treatment or reductant. This is why we removed the groundwater sweep step for all wellfields where it has been completed, but retained all 5 PV of reverse osmosis treatment (although that step has also been completed in the majority of all wellfields) pending approval of restoration.

There needs to be a way to reduce the surety estimates for groundwater restoration in the same manner as surface reclamation. For example, at the mill tailings sites, NRC has approved surety reductions when work is accomplished such as regrading of the tailings (first step) or radon barrier placement (second step) before the final rock cover is placed. We are able to receive credit for these completed steps before the final construction completion report is provided to NRC. Of course the completion of these items can easily be observed at the site, where completion of a phase of groundwater restoration is more difficult to observe. However, COGEMA provides restoration updates in the semi-annual reports to NRC (now annual reports) that discuss the progress of restoration and results to date, and this information is available for inspection. Waiting for any surety release until the final restoration report is received and approved seems in conflict with the surface reclamation policy.



Another consideration, in COGEMA's case, is that the beneficiary of our surety is the State of Wyoming, Department of Environmental Quality (WDEQ) and not NRC. The WDEQ is also reviewing the new surety estimate and has indicated to COGEMA that release of the groundwater sweep portion of the surety appears reasonable. It is COGEMA's suggestion that the NRC rely upon the WDEQ's decision whether the surety should be reduced or not. In this case, the surety amount would remain at the current level and would not be changed until WDEQ approves the change and NRC concurs.

Surface Reclamation

With regards to the additional \$54,999 reduction requested for work completed on the 517 ponds (\$44,984 plus \$1,055 for radiation surveys completed) and wells plugged and abandoned (\$8,960), COGEMA would ask that NRC also consider using the State of Wyoming's inspection and/or concurrence for release.

3. License amendment to an amount of \$15,296,019 and changing the time frame covered by the CPI: The current bond amount required by NRC is \$13,575,224 (Condition 9.5 of SUA-1341), and COGEMA requested a reduction to \$12,825,898. We are assuming that the \$15,296,019 is a typographical error.

In summary, COGEMA respectfully requests NRC to consider the following:

- A revised Table 1 is attached, which incorporates the revised CPI base date of July 2001 and the correction of the June 2002 CPI typographical error (no change in dollar amounts).
- Because the surety beneficiary is WDEQ, NRC should follow the lead of WDEQ with regards to COGEMA's proposed reduction in the groundwater restoration cost estimate.
- NRC should also follow WDEQ's lead with regards to reductions of surety for the 517 ponds and well plugging and abandonment.
- Because COGEMA is in the decommissioning phase, we expect that each annual surety update in the future will reflect work completed along with a request for surety reduction. We ask that NRC and WDEQ work together to establish a mutually acceptable method for the release of ISL sureties.

I hope that I have adequately responded to your September 27 letter. If not, please contact me at (307) 234-5019 or by e-mail to cri_dlw@trib.com.

Sincerely,

Donna L. Wichers
General Manager

Attachment

cc: G. Mooney – WDEQ/Sheridan
J. Vasehn, W. Heili – COGEMA

➤ COGEMA Mining, Inc.

SUMMARY OF RECLAMATION/RESTORATION BOND ESTIMATE, 2002 - 2003

WDEQ PERMIT NO. 478/USNRC LICENSE SUA-1341

TABLE 1

I	GROUNDWATER RESTORATION - Worksheet 1:		\$4,842,891
II	DECOMMISSIONING AND SURFACE RECLAMATION:		
	A. Process Plant(s) Equipment Removal and Disposal Worksheet 2		\$212,109
	B. Plant Building(s) Demolition and Disposal Worksheet 3		\$587,632
	C. Process Pond Sludge and Liner Handling Worksheet 4		\$1,259,496
	D. Well Abandonment Worksheet 5		\$760,261
	E. Wellfield Equipment Removal and Disposal Worksheet 6		\$832,873
	F. Topsoil Replacement and Revegetation Worksheet 7		\$757,774
	G. Miscellaneous Reclamation Activities Worksheet 8		\$155,926
	Sub Total - Decommissioning and Surface Reclamation		\$4,566,071
TOTAL RESTORATION AND RECLAMATION			\$9,408,962
	Add for Inflation: CPI Base of July 2001= 177.5 Current CPI for June 2002 = 179.9	1.35%	\$127,021
	SUBTOTAL		\$9,535,983
Miscellaneous Costs Associated with Third Party Contractors			
	Project Design	2%	
	Contractor Profit & Mobilization	8%	
	Pre-construction Investigation	1%	
	Project Management	5%	
	On-site monitoring	0.5%	
	Site Security & Liability Assurance	1%	
	Longterm Administration	2%	
	Contingency	15%	
	TOTAL CONTINGENCY	34.5%	\$3,289,914
GRAND TOTAL RESTORATION AND RECLAMATION			\$12,825,898



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Data extracted on: August 9, 2002 (1:02:05 PM)

Consumer Price Index - All Urban Consumers

Original Data Value															
Series Id: CUUR0000SA0															
Not Seasonally Adjusted															
Area: U.S. city average															
Item: All items															
Base Period: 1982-84=100															
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1992	138.1	138.6	139.3	139.5	139.7	140.2	140.5	140.9	141.3	141.8	142.0	141.9	140.3	139.2	141.4
1993	142.6	143.1	143.6	144.0	144.2	144.4	144.4	144.8	145.1	145.7	145.8	145.8	144.5	143.7	145.3
1994	146.2	146.7	147.2	147.4	147.5	148.0	148.4	149.0	149.4	149.5	149.7	149.7	148.2	147.2	149.3
1995	150.3	150.9	151.4	151.9	152.2	152.5	152.5	152.9	153.2	153.7	153.6	153.5	152.4	151.5	153.2
1996	154.4	154.9	155.7	156.3	156.6	156.7	157.0	157.3	157.8	158.3	158.6	158.6	156.9	155.8	157.9
1997	159.1	159.6	160.0	160.2	160.1	160.3	160.5	160.8	161.2	161.6	161.5	161.3	160.5	159.9	161.2
1998	161.6	161.9	162.2	162.5	162.8	163.0	163.2	163.4	163.6	164.0	164.0	163.9	163.0	162.3	163.7
1999	164.3	164.5	165.0	166.2	166.2	166.2	166.7	167.1	167.9	168.2	168.3	168.3	166.6	165.4	167.8
2000	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174.0	174.1	174.0	172.2	170.8	173.6
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	176.6	177.5
2002	177.1	177.8	178.8	179.8	179.8	179.9									

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