

From: Elaine Brummett
To: internet:cri_dlw@trib.com
Date: 9/15/03 10:37AM
Subject: CIC surety acceptance review

our e-mail was down Fri

CC: Betty Garrett; Jill Caverly; Robert Nelson

**SUBJECT: ACCEPTANCE REVIEW FOR THE ANNUAL SURETY UPDATE (LU0002)
DOCKET No. 40-8502**

The U.S. Nuclear Regulatory Commission (NRC) staff has completed its acceptance review of your proposed annual surety dated August 18, 2003, 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. However, the following items relating to the "Bond Assumptions" portion of the submittal should be addressed before we complete our review.

1. Page 6 (decontamination costs) and several other pages refer to current prices or "today's cost." Indicate if all these costs refer to third party costs or to COGEMA's pre-existing contract prices.
2. Page 7 indicates that transportation costs for the various worksheets are \$2.58 mile, based on prices COGEMA was charged. Please indicate when these charges were billed or otherwise demonstrate that the cost reflects the high fuel prices of 2003 that would be incurred by a third party.
3. Page 7 refers to a disposal agreement with Pathfinder Shirley Basin. Indicate the expiration date of the agreement so that staff are assured that the cost estimate for disposal is relevant until at least September of 2004.
4. Page 8 (building and concrete demolition) and page 13 (re-vegetation) refer to the Wyoming Land Quality Division Guideline No. 12 as a cost basis but do not indicate the date of the edition used. Justify that the costs are representative for June 2003.
5. Page 8 itemizes the cost for decontamination of concrete by using the hauling cost and assumes that 1 cubic yard = 6 square feet (surface). This would represent removal of 2-inch-thick pieces of concrete slabs or foundation walls, not decontamination. Since page 44 of the decommissioning plan considers both options, COGEMA should itemize the more expensive method unless a decision has been made. Decontamination normally requires power-washing and scabbling the concrete surface. Removal and hauling costs would need to represent the full thickness of the concrete.
6. Page 8, near the bottom, indicates price quotes were obtained from Energy Labs and ERG, but not the date of the quotes. Indicate if these quotes were obtained this summer.
7. Page 12 states that culverts previously assumed to be contaminated are not contaminated. Indicate the basis for this statement to justify deleting this cost item.
8. Page 13 states that distribution lines and power poles will be removed at no charge by Powder River Energy Corporation. Provide some documentation to support this statement.
9. Pages 13 and 14 apparently use 1994 cost estimates increased for inflation for transformer removal and disposal, booster pump assembly removal and disposal, and guardrail removal. However, using the CPI from July 1994 to June 2003 to adjust costs (increase of 23.8 percent) indicates that some costs have been slightly underestimated. For example, small transformer removal would be \$619 not \$600. In contrast, the removal cost of booster pump assemblies is conservative, \$248 versus the COGEMA estimate of \$300. COGEMA should be consistent and indicate what inflation factor was used.

10. Page 14 refers to a cost for the low water stream crossing. Indicate what type of activity will be performed and why the construction cost is a reasonable basis for the decommissioning cost.

Please submit the requested information within 30 days so we may complete our review. If you have any questions, 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.

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From: Elaine Brummett

Created By: ESB@nrc.gov

Recipients

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BSG CC (Betty Garrett)

JSC1 CC (Jill Caverly)

RAN CC (Robert Nelson)

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