

September 8, 2004

Mr. Jon Sink, Site Manager
U.S. Department of Energy
Grand Junction Office
2597 B3/4 Road
Grand Junction, CO 81503

SUBJECT: DETERMINATION OF THE LONG-TERM SURVEILLANCE CHARGE FOR THE
SOHIO WESTERN MINING COMPANY L-BAR URANIUM MILL TAILINGS SITE

Dear Mr. Sink:

The U.S. Nuclear Regulatory Commission (NRC) staff understands that the Sohio Western Mining Company (SWMC) is planning to transfer ownership of the L-Bar uranium mill tailings site to the U.S. Department of Energy (DOE) within the next several weeks in preparation for termination of SWMC's Source Materials License SUA-1472. As the DOE will become the long-term custodian for the L-Bar site, the staff has evaluated the charge necessary to cover the costs for the long-term surveillance of the site by the DOE. In this regard, the long-term surveillance charge totals \$698,194 and consists of the following elements:

- A basic long-term surveillance charge of \$697,194 derived from the escalation of \$250,000 in 1978 dollars through September 2004, as specified in 10 CFR Part 40, Appendix A, Criterion 10, to account for the effects of inflation.
- A maintenance bond of \$1,000 for mitigation of potential sedimentation in the L-Bar flow diversion channels in an estimated 450 to 500 years from now.

In developing the charge (\$698,194) necessary to cover the DOE's estimated long-term surveillance costs, the staff has considered the following:

- The DOE will conduct annual site inspections of the L-Bar site. A groundwater monitoring program will be conducted as described in the DOE Long-Term Surveillance Plan for L-Bar.
- Based on the tailings reclamation design features, ongoing active maintenance will not be necessary to preserve isolation of the emplaced wastes at L-Bar.
- In the event that removal of sediment from the diversion channels in the distant future (450 to 500 years) becomes necessary, the escalated value of the \$1,000 maintenance bond will provide sufficient funds to cover the costs for this work.

I understand that our respective staffs have discussed the charge (\$698,194) necessary to support DOE long-term surveillance activities at L-Bar and that DOE considers that charge to be appropriate. Accordingly, NRC will notify the SWMC of the amount of the long-term surveillance charge (\$698,194) that it must pay to the U.S. Treasury before license termination, as required by 10 CFR Part 40, Appendix A, Criterion 10.

If you have any questions regarding this letter, please contact Rick Weller, the Project Manager for L-Bar, at (301) 415-7287 or via e-mail to RMW2@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or 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>.

Sincerely,

/RA/

Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-8904
License No.: SUA-1472

cc: D. Bergman-Tabbert, DOE GJO
M. Plessinger, Stoller GJO
J. Trummel, Kennecott
M. Leavitt, NMED, Santa Fe
S. Jordan, Nordhaus Law Firm

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Sincerely,

/RA/

Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
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Office of Nuclear Material Safety
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