

January 06, 2005

Mr. William F. Kearney
Manager, Health Safety,
and Environmental Affairs
Power Resources Inc.
P.O. Box 1210
Glenrock, WY 82637

SUBJECT: SMITH RANCH - HIGHLAND URANIUM PROJECT, ANNUAL SURETY
UPDATES FOR THE RUTH AND NORTH BUTTE FACILITIES (TAC NO.
LU0074)

Dear Mr. Kearney:

I am responding to your letter dated December 9, 2004, concerning annual surety estimates for the Ruth and North Butte facilities, as required by License Condition (LC) 9.5.

In your letter you requested that the sureties remain at \$78,000 for the North Butte facility and \$104,600 for the Ruth facility for the next surety period due to the non-operational status of these facilities. You also stated that you had discussed this matter with Mr. Mark Taylor of the Wyoming Department of Environmental Quality - Land Quality Division. NRC staff has reviewed your request and agrees with the request because no licensed operations have occurred at either location. However, this determination does not relieve you of your responsibility to provide future surety updates consistent with the requirements of LC 9.5.

If you have any questions concerning this letter, please contact the Project Manager, John Lusher, at (301) 415-7694 or by e-mail to JHL@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> (the Public Electronic Reading Room).

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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. 40-8964
License No. SUA-1548

cc: S. P. Collings
M. Taylor, WDEQ-LQD

W. Kearney

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Fuel Cycle Facilities Branch
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Docket No. 40-8964
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cc: S. P. Collings, CBR, Denver
M. Taylor, WDEQ-LQD

(Closes Tac No. LU0074)

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