

Umetco Minerals Corporation



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June 13, 2006

Mr. Robert Lukes, Project Manger
U. S. Nuclear Regulatory Commission
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards
Mail Stop T-8-A-33
Two White Flint North, 11545 Rockville Pike
Rockville, Maryland 20852-2738

Re: 2006 Surety Update

Reference: Materials License SUA-648, Docket No. 40-0299

Dear Mr. Lukes:

Enclosed please find Umetco's update to the required surety amount for the Gas Hills site. The enclosed calculation uses the surety amounts from the September 29, 2004 surety submittal and updates them for the change in CPI.

This calculation results in an increase to the surety of \$430,241 (\$327,436 NRC portion) bringing it to \$12,664,276 (\$9,662,086 NRC portion). If you have any questions or comments concerning this submittal, please contact me at (970) 256-8889 or by e-mail at gieckte@dow.com.

Sincerely,

Thomas E. Gieck
Remediation Leader

TEG/RBG/jfc

Enclosure: As stated

cc: Mark Moxley – WDEQ-LQD

Cost Summary

Project Area	Estimated Cost (\$)
GHP No. 2 Reclamation	2,404,515
C-18 Pit Reclamation	604,898
B-5/North and South Evaporation Pond Reclamation	3,929,532
Windblown (aka FSSP)	202,865
B-Spoils Area	310,829
Groundwater Monitoring	37,746
Additional Cost - Response to NRC Review Comments ⁴⁾	819,973
Total Costs Including Overhead, Profit and Contingency =	8,310,358 1)
CPI Inflation 9/04 (189.9) to 4/06 (201.5)	507,636
Long-Term Surveillance Fee =	744,092
Final Completion Report =	100,000
Total NRC Surety Required =	9,662,086
DEQ Required Surety =	2,829,359 1)
CPI Inflation 9/04 (189.9) to 4/065 (201.5)	172,831
Total Surety Required =	12,664,276

- 1) Dollars are from 9/29/04 submittal

- 2) December 1978 CPI = 67.7
 April 2006 CPI = 201.5
 250,000 divided by 67.7 times 201.5 = \$744,092 (Long-Term Surveillance Fee)

- 3) Costs shown above are inclusive of contractor's overhead (10%) and profit (10%) applied to unit costs for the work. A 15% contingency has been applied to each project area total cost.

- 4) Cost summary sheet has been revised to include additional costs developed in response to NRC review comments dated September 2, 2004.