From: "Cox, Al (Grants)" <ACox@barrick.com>
To: "Ron Linton" <RCL1@nrc.gov>
Date: 07/19/2006 4:21 PM
Subject: GRANTS - Cost Estimate - Docket 40-8903
CC: "Chase, Rocky (Salt Lake City)" <RChase@barrick.com>, "Ferdinand, Bill (Salt Lake City)" <bferdinand@barrick.com>, "Kump, Dan (Grants)" <dkump@barrick.com>

Ron,
I finally got back to the office from travel and other distractions. I got your v-mail regarding the major $$ that relate to the higher Life of Project cost estimate for Grants. The following sums up the major changes. If you need further details please advise.

1) added yrs to the groundwater restoration program of 4 years. This extended that program from 2011 out to 2015 and final clusre completed in 2017. This causes a staggered delay in the final physical reclamation of 3 to 5 years depending on activity. This is the lion's share of the increase in cost estimate up to the $55.5M estimate as compared to the March 2005 estimate of $36M.

Other items of significance:

2) Addition of 3rd evaporation pond - to be built in 2007, mid-year. Added a capital cost of $3.6M.

3)RO plant operations in terms of consumables were refined this year to be based on operation rate of the plant and associated groundwater restoration model results (plant feed rate to meet the above schedule and model requirements resulted in the need to do this). Based on the throughput-based rate of consumables (acid, line, caustic, membranes, membrane cleaner, etc.) an increase of $3.0M was identified as needed when compared to the March, 2005 estimate.

4)RO plant upgrades - additional equipment was included in 2007 to provide for additional sand filters, a sand separator / trap and upgrading the acid addition metering system in the plant. Added $180K.

5)Expansion of tailings area ground water restoration program - The number of alluvial ground water collection wells in the immediate tailings area was increased to enhance the retoration program. The need for a greater well density was indicated by the ground water modeling that was undertaken during mid to late 2005. Net increase of $150K.

Hope this is enough detail on the increases. Dissecting the increase as referenced and outlined in #1 above would be a time consuming exercize as a multitude of changes were made; but, you can assume that it roughly costs about $4.0-4.5M a year on average as it relates to the 4 year extension of time that was added to site closure timeframe.

Please call if you have any remaining questions.

Thanks.....Al

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