



Smith Ranch - Highland
Uranium Project
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July 20, 2006

Addressee only
Mr. Gary Janosko, Chief FCLB
Fuel Cycle Facilities Branch, NMSS
Mail Stop T-8A33
U.S. Nuclear Regulatory Commission
Washington D.C. 20555

RE: Smith Ranch-Highland Uranium Project
Docket No. 40-8964, SUA-1548, TAC Number LU0136
2006-2007 Surety Estimate Revision (correction)

Dear Mr. Janosko:

SMITH RANCH
2006-2007 Surety Estimate Revision
July 20, 2006

The 2006-2007 Smith Ranch Surety Estimate was revised in June to follow the WDEQ-LQD standardized bond format and, where applicable, the cost estimates provided in WDEQ-LQD Guideline No. 12. The 2006-2007 Surety Estimate Revision submitted in June 2006 identified a total surety estimate of \$21,335,600.00; however an error was identified in the development of the CPI escalation factor which increased the CPI from 19.41% to 24.08%. This adjustment to the CPI increased the total surety estimate from the 2005 estimate from \$4,705,800 (June submittal) to \$5,540,200. The net increase from the June 2006 total estimate to this revised estimate is \$834,400. The total 2006 revised estimate should be \$22,170,000.

As the CPI escalator is only applied to the final estimate totals, I have enclosed only a revised summary table, the remainder of the data presented on the spreadsheet (SRBOND2006) submitted in June remains the same.



PRI representatives are available to meet with your staff to assist with their review of this submittal. If you or your staff has any questions, please call me at (307) 358-6541 ext. 46.

Sincerely,



John McCarthy
Manager, Environmental, Health
& Safety (EHS)

Cc: S.P. Collings w/atta
C. Foldenauer w/atta
File 4.6.4.1

R. Townley w/o atta
L. Spackman, WDEQ/LQD

POWER RESOURCES INC SMITH RANCH URANIUM PROJECT
2006-2007 SURETY ESTIMATE REVISION

Total Restoration and Reclamation Cost Estimate			
I.	GROUNDWATER RESTORATION COST		\$11,091,386
II.	EQUIPMENT REMOVAL & DISPOSAL COST		\$270,758
III.	BUILDING DEMOLITION AND DISPOSAL COST		\$1,129,731
IV.	WELLFIELD BUILDINGS & EQUIPMENT REMOVAL & DISPOSAL COST		\$326,047
V.	WELL ABANDONMENT COST		\$1,028,819
VI.	WELLFIELD AND SATELLITE SURFACE RECLAMATION COST		\$57,810
VII.	TOTAL MISCELLANEOUS RECLAMATION COST		\$389,442
	SUBTOTAL RECLAMATION AND RESTORATION COST ESTIMATE		\$14,293,992
		CPI ESCALATOR- July 1,1998 to May 31, 2006 (24.08%)	\$3,441,993
		SUBTOTAL	\$17,735,985
		ADMINISTRATIVE, OVERHEAD, AND CONTINGENCY ITEMS (25%)	\$4,433,996
		TOTAL	\$22,169,981
		TOTAL CALCULATED SURETY (IN 2006 DOLLARS)	\$22,170,000