



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:

HIGHLAND URANIUM PROJECT
2006-2007 Surety Estimate Revision
July 20, 2006

The 2006-2007 Highland 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 \$22,497,100.00; 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 \$710,400 (June submittal) to \$1,590,200. The net increase from the June 2006 total estimate to this revised estimate is \$879,800. The total 2006 revised estimate should be \$23,376,900.

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 (HUPBOND2007) 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 R. Townley w/o atta
C. Foldenauer w/atta L. Spackman, WDEQ/LQD
File 4.6.4.1

POWER RESOURCES INC HIGHLAND URANIUM PROJECT
2006-2007 SURETY ESTIMATE REVISION

Total Restoration and Reclamation Cost Estimate					
I.	GROUNDWATER RESTORATION COST				\$10,504,422
II.	EQUIPMENT REMOVAL & DISPOSAL COST				\$103,633
III.	BUILDING DEMOLITION AND DISPOSAL COST				\$1,011,992
IV.	WELLFIELD BUILDINGS & EQUIPMENT REMOVAL & DISPOSAL COST				\$1,209,170
V.	WELL ABANDONMENT COST				\$1,452,683
VI.	WELLFIELD AND SATELLITE SURFACE RECLAMATION COST				\$94,519
VII.	TOTAL MISCELLANEOUS RECLAMATION COST				\$695,734
	SUBTOTAL RECLAMATION AND RESTORATION COST ESTIMATE				\$15,072,153
				CPI ESCALATOR- July 1998 to May 31, 2006 (24.08%)	\$3,629,374
				SUBTOTAL	\$18,701,527
				ADMINISTRATIVE, OVERHEAD, AND CONTINGENCY ITEMS (25%)	\$4,675,382
				TOTAL	\$23,376,909
				TOTAL CALCULATED SURETY (IN 2006 DOLLARS)	\$23,376,900