

ExxonMobil
Refining & Supply Company
3225 Gallows Road
Fairfax, Virginia 22037

VIA OVERNIGHT MAIL

August 16, 2006

ExxonMobil
Refining & Supply

U.S. Nuclear Regulatory Commission
Division of Fuel Cycle Safety and Safeguards
Fuel Cycle Facilities Branch
11545 Rockville Pike
Rockville, MD 20852-2738
Attention: Gary S. Janosko,

RE: Docket No. 40-8102
Radioactive Material License No. SUA-1139
Highland Reclamation Project
2006-2007 Surety Update

Dear Mr. Janosko:

Condition 23 of License No. SUA-1139 requires the Licensee to supply an annual update of the tailings basin surety amount for U.S. Nuclear Regulatory Commission (NRC) approval.

The current amount of the surety is \$1,250,000 and the surety is in the form of a Performance Bond and Standby Trust agreement that was approved by the NRC in its letter dated March 11, 2002. Exxon Mobil wishes to keep the amount of the financial surety at \$1,250,000. Attachment I provides detailed information on remaining reclamation costs.

Please contact me at (703) 846-3272 if you have any questions regarding this request to maintain the existing financial surety amount.

Sincerely,



Dan E. Burnham
Project Manager

/DEB
Attachment

c: C. L. Strachan -- MFG
File -- Financial Surety

**ATTACHMENT I
HIGHLAND RECLAMATION PROJECT
FOR PERIOD OF NOVEMBER 2006 - NOVEMBER 2007**

I. FACILITY DECOMMISSIONING - COMPLETE

The Highland Mill is now possessed by Power Resources Inc. under their NRC license. Their bond is in place.

The tailings disposal pipeline and pump house facilities at the tailings basin were decommissioned by 1985.

II. TAILINGS BASIN AREA GROUNDWATER RESTORATION AND WELL PLUGGING - \$235k SURETY REMAINING

A. Groundwater restoration complete pursuant to issuance of Alternate Concentration Limits in Amendment No. 49 to the Material License.

B. Verification Sample Analyses - \$110k

Thirty wells (twenty-five wells on Exxon Mobil property and five wells on adjacent property) are monitored semi-annually, but five of these are dry. Monitoring costs for two years are estimated at \$110k, based on annual labor costs of \$35k/year for well sampling and \$20k/year for sample analyses. Analytical costs are based on all parameters required by License Condition No. 33 and the current contract for analytical services from a commercial laboratory.

C. Adjacent property lease/purchase agreements -- \$80k

D. Well Plugging - \$45k

Plug 30 wells @ \$1.5k. All are wells with 4" or 6" casing. Plugging will be in accordance with license commitments.

III. INTERIM STABILIZATION DURING DRYING OUT PHASE - COMPLETE

IV. TAILINGS IMPOUNDMENT AREA RECLAMATION - \$73k SURETY REMAINING

	<u>\$k</u>
Contour Tailings - COMPLETE	-
Strip Topsoil - COMPLETE	-
Slope Dam - COMPLETE	-
Build PMF Channel - COMPLETE	-
Slope South Side/Set Back - COMPLETE	-
Cover 155 Acres Tailings 3-1/2 Feet - COMPLETE	-
Topsoil 359 Acres - COMPLETE	-
Revegetate 359 Acres Cover Crop - COMPLETE	-
Permanent Vegetation - COMPLETE	-
Rock Mulch Dam Crest - COMPLETE	-
Rock Mulch 20 Acres - COMPLETE	-
Topsoil 11 KBCY - COMPLETE	-
Riprap Low Flow Channels - COMPLETE	-
Geotechnical/Surveying Oversight - COMPLETE	-

Fencing - 5 miles @ \$2.00/ft.	53
Repairs, maintenance, revegetation - 2 years @ \$10k/year	<u>20</u>
TOTAL	73

V. DECOMMISSION SEEPAGE MITIGATION SYSTEM AND RECLAMATION OF WICK AREA (SITE OF EVAPORATION PONDS) - COMPLETE

	<u>\$k</u>
Remove Equipment - COMPLETE	-
Reclaim Generator Site - COMPLETE	-
Bring Wick Area to Grade and Cover - COMPLETE	-
Channel Rock - COMPLETE	-
Testing and Oversight - COMPLETE	-
Revegetate 40 acres wick area and 10 acres topsoil piles (Piles #21 and #25) - COMPLETE	-
Riprap gullies on diversion channel - COMPLETE	<u>-</u>
TOTAL	-

VI. RADIOLOGICAL SURVEYS AND SOIL SAMPLING - COMPLETE

VII. RECLAIM TAILINGS BASIN TRAIL - COMPLETE

	<u>k\$</u>
Decontamination and Contouring - COMPLETE	-
Topsoiling 8 Acres - COMPLETE	-
Revegetate 8 Acres Cover Crop - COMPLETE	-
Revegetate 8 Acres Permanent Vegetation - COMPLETE	<u>-</u>
TOTAL	-

VIII. PROJECT MANAGEMENT AND MISCELLANEOUS - \$100k SURETY REMAINING

Two years @ \$50k/year - \$100k

IX. SUB-TOTAL \$408k

X. 15% CONTINGENCY \$61k

XI. LONG-TERM SURVEILLANCE AND CONTROL FEE - \$769k SURETY REMAINING

\$250k in 1978\$ escalates to \$769k in 2006\$

XII. TOTAL \$1,238k

XIII. CURRENT APPROVED SURETY \$1,250k

XIV. RECOMMENDED APPROVAL \$1,250k

XV. ACTUAL SURETY IN PLACE \$1,250k