

Umetco Minerals Corporation



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June 12, 2007

Mr. Robert Lukes, Project Manager
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

Subject: **2007 Surety Update**

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

Dear Mr. Lukes:

Enclosed please find the financial surety update for Umetco Minerals Corporation's (Umetco) Gas Hills site. The enclosed surety calculation updates the surety amounts from NRC letter September 27, 2006 (Amendment No. 57) and updates for the change in Consumer Price Index (CPI).

During the 2006 construction season Umetco completed reclamation of GHP-2, C-18 Pit, B-5/North and South Evaporation Ponds, Windblown (aka Final Status Survey), and the B-Spoils area listed on Umetco's 2006 Surety Update submittal dated June 13, 2006. The additional cost of \$819,973 for Offsite/Ancillary cleanup cost were addressed in Umetco's submittal of Addendum 1 with approval of the NRC in letter dated September 27, 2004, this cost has been eliminated. The estimated surety amount for these completed projects was \$8,777,943.

Mr. Robert Lukes
June 12, 2007
Page two

Reclamation activities at the Gas Hills site have been completed and we anticipate submittal of the Final Construction Completion Report this month. Accordingly, Umetco is requesting approval to reduce the required surety amount from \$12,664,276 (\$9,662,086 NRC portion) to \$4,051,782 (\$972,325 NRC portion). This results in a decrease to the surety of \$8,612,494 (\$8,689,761 NRC portion). Items remaining in the surety estimate include Groundwater Monitoring, Fencing, Long-term Surveillance Fee, and potential work associated with acceptance of the Final Construction Completion Report.

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

	<u>Original Estimate</u>			<u>CPI 04/07</u>	<u>Current \$'s</u>
	<u>Cost</u>	<u>Date</u>	<u>CPI then</u>		
Groundwater Monitoring ¹⁾	37,746	09/04	189.900	206.686	41,083
Fencing 17,000 feet @ \$4 per foot ¹⁾	68,000	04/07	206.686	206.686	68,000
Long-term Surveillance Fee	250,000	12/78	67.700	206.686	763,242
Final Completion ¹⁾	100,000	04/07	206.686	206.686	<u>100,000</u>
Total NRC Surety Required					972,325
DEQ Required Surety ²⁾	2,829,359	09/04	189.900	206.686	<u>3,079,457</u>
Total Surety Required					<u><u>4,051,782</u></u>

1) Costs shown above are inclusive of contractor's overhead (10%) and profit (10%) applied to unit costs for the work. A 15% contingency has also been added.

2) Dollars are from 9/29/04 submittal