

December 17, 2007

Thomas E. Gieck, Remediation Leader
Umetco Minerals Corporation
P.O. Box 1029
Grand Junction, CO 81502

SUBJECT: PROPOSED SURETY REDUCTION FOR UMETCO MINERALS
CORPORATION'S GAS HILLS SITE, NATRONA COUNTY, WYOMING,
SOURCE MATERIALS LICENSE NUMBER SUA-648 (TAC J00526)

Dear Mr. Gieck:

By letter dated June 12, 2007, Umetco Minerals Corporation (UMC) submitted a revised surety estimate for its Gas Hills, Wyoming site to U.S. Nuclear Regulatory Commission (NRC) staff. In its submittal, UMC states that the 2007 surety estimate is \$972,235, which is \$8,689,761 lower than the 2006 surety estimate.

NRC staff has reviewed this surety request and cannot approve the proposed surety reduction at this time. The surety amount shall remain at the previous amount of 9,662,086, which is consistent with the 2006 surety. NRC staff has not yet performed a site visit to review the completion of the construction activities associated with the surety reduction. It is anticipated that the next site visit will occur in April or May 2008. A surety reduction could be reconsidered at that time.

If you have any questions, regarding this licensing action, please contact me at 301-415-0724 or by e-mail at dtm1@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," the agency will make a copy of this letter available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's Agencywide Document Access and Management System (ADAMS). ADAMS is accessible from the NRC public Web site at <http://www.nrc.gov/reading-rm/adams.html>

Sincerely,

/RA/

Douglas T. Mandeville, Project Manager
Uranium Recovery Licensing Branch
Decommissioning and Uranium Recovery
Licensing Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket No.: 040-0299
License No.: SUA-648

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CLOSES TAC J00526

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