

February 25, 2009

Mr. Tom Hardgrove
Manager, Environmental and Regulatory Affairs
COGEMA Mining, Inc.
935 Pendell Boulevard
P.O. Box 730
Mills, WY 82644

SUBJECT: COGEMA MINING, INC., IRIGARAY AND CHRISTENSEN RANCH PROJECT,
CAMPBELL AND JOHNSON COUNTIES, WYOMING, SOURCE MATERIALS
LICENSE SUA-1341, AMENDMENT NO. 14 - ANNUAL SURETY ESTIMATE
ADJUSTMENT (TAC NO. J00578)

Dear Mr. Hardgrove:

By letter dated September 11, 2008, COGEMA Mining Inc., (COGEMA) submitted its annual surety update for the Irigaray and Christensen Ranch Project for the U.S. Nuclear Regulatory Commission (NRC) staff's review and approval. After initial review by the staff on October 9, it was determined that one of the pages was either missing or mislabeled. Subsequently, in a letter dated October 11, 2008, COGEMA resubmitted the corrected page. The surety update package was made publicly available in NRC's Agencywide Documents Access and Management System (ADAMS) on December 30, 2008. The surety estimate was accepted for review on December 30, 2008. This revised surety is approved in the amount of \$9,714,299 which represents a \$378,110 increase from the previously approved surety of \$9,336,189 in License Amendment 13.

The NRC staff reviewed the surety update estimate per Criteria 9 and 10 of 10 CFR Part 40, Appendix A, which requires the licensee to supply sufficient information to the NRC staff to verify that the amount provided by the financial assurance will permit the completion of all decontamination and reclamation of the site. Additionally, the surety estimate must be based on the completion of all decommissioning and reclamation activities by a third party, and must be updated annually. The NRC staff also utilized guidance in NUREG-1569, "Standard Review Plan for In-Situ Leach Uranium Extraction License Applications," to complete this review. The NRC staff reviewed the supporting assumptions and spreadsheets provided in the submittal. The primary reason for the increase in surety was an adjustment for inflation.

On September 30, 2008, COGEMA was granted approval to change from restoration and decommissioning status to an operating (uranium production) status. In the approval letter, it is stipulated that COGEMA is required to update its surety estimate prior to startup of operations to reflect decommissioning costs based on the operational status of the facility. The surety estimate update associated with License Amendment 14 does not meet that requirement as it only updates the surety based on inflation. In its letter dated September 11, 2008, COGEMA confirmed its commitment to update its surety before a resumption of operations by stating, "Prior to any future startup of operations, COGEMA will request an increase in the surety to reflect restoration costs attendant to a resumption of operations."

T. Hardgrove

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Based on the staff's review, COGEMA has provided adequate justification for the current surety estimate. Therefore, the surety amount in License Condition 9.5 is revised and License Amendment No. 14 is enclosed.

This licensing action meets the categorical exclusion provision for surety changes in 10 CFR Part 51.22(c)(10)(i). Therefore, this amendment does not require either an environmental assessment or an environmental impact statement. If you have any questions regarding this letter, or the enclosure, please contact Mr. Ron C. Linton, Project Manager, at (301) 415-7777, or at ron.linton@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from ADAMS. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/reading-rm/adams.html>.

Sincerely,

/RA/

Keith I. McConnell, Deputy Director
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.: 040-08502

License No.: SUA-1341

Enclosure: Amendment No. 14

cc: G. Mooney (WYDEQ)

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Sincerely,

Keith I. McConnell, Deputy Director
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.: 040-08502
License No.: SUA-1341

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(CLOSES TAC J00578)

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