

August 25, 1999

Mr. William Paul Goranson, Manager
Radiation Safety, Licensing and
Regulatory Compliance
Quivira Mining Company
6305 Waterford Bldg., Suite 325
Oklahoma City, OK 73118

SUBJECT: REQUEST FOR ADDITIONAL INFORMATION FOR SURETY UPDATE FOR
THE QUIVIRA MILL SITE

Dear Mr. Goranson:

The U.S. Nuclear Regulatory Commission (NRC) staff has reviewed the Quivira Mining Company's (QMC) 1999 annual surety update for the Ambrosia Lake uranium mill and tailings site near Grants, New Mexico, as submitted in your letter dated June 29, 1999. The staff is unable to approve the current surety update until additional information is provided.

In response to the request from the NRC in the 1998 surety review acceptance letter, QMC provided detailed information for costs associated with the groundwater reclamation program in the 1999 surety update. The detailed groundwater information and cost estimate provided was based on the assumption that QMC would be submitting an application for alternate concentration levels (ACLs) in the last quarter of 1999 and have it approved within 5 years. The financial surety for which this update is being conducted is a financial instrument that guarantees the reclamation of the site in accordance with the NRC-approved license and groundwater corrective action plan (CAP). Therefore, the financial surety information submitted by QMC should reflect the current approved plan.

At this time, QMC needs to submit surety information that corresponds with the current license and CAP. Once ACLs have been submitted and approved, QMC should update the corrective action plan and corresponding surety.

If you have any questions concerning this letter, please contact Jill Caverly, the NRC Project Manager for the Ambrosia Lake site, at (301) 415-6699.

Sincerely,

Original Signed By Dan Gillen for

John J. Surmeier, Chief
Uranium Recovery
and Low-Level Waste Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Docket No. 40-8905
License No. SUA-1473

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