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VIA OVERNIGHT MAIL

January 13, 2010

Dr. Tom McLaughlin, Decommissioning Branch
Division of Waste Management and Environmental Protection
Office of Federal and State Materials and Environmental Management Programs
United States Nuclear Regulatory Commission
Washington, DC 20555-0001

**RE: Docket No. 40-8102, Radioactive Material License No. SUA-1139,
Highland Reclamation Project,
2009-2010 Surety Update**

Dear Dr. McLaughlin:

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 in the amount of \$2,000,000. This was submitted in the form of a rider by the Federal Insurance Company (Chubb Group), surety bond no. 83029502 and approved by NRC in a letter dated March 4, 2009.

ExxonMobil wishes to keep the amount of the financial surety at \$2,000,000. Attachment I provides detailed information on remaining reclamation costs.

Please contact me at (281) 654-8458 if you have any questions.

Sincerely,



Mahesh Vidyasagar
Project Manager
MV
Attachment

cc: Document Control Desk - NRC
File – Financial Surety
Bruce Wielinga – AMEC
Rebecca Bilodeau - Advanced Environmental Sciences, Inc

**ATTACHMENT I
HIGHLAND RECLAMATION PROJECT
FOR PERIOD OF NOVEMBER 2009 TO NOVEMBER 2010**

I. FACILITY DECOMMISSING – COMPLETE

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

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

II. TAILING BASIN AREA GROUNDWATER RESTORATION AND WELL PLUGGING \$220k 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 – \$130k

Thirty six wells (31 wells on ExxonMobil property and five well on adjacent property) are monitored semi-annually, but five of these are dry. Monitoring costs for two years are estimated at \$130k, based on annual labor costs of \$40k/year for well sampling and \$25k/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 – \$600k
- D. Well plugging – \$54k

Plug 36 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 – \$50k 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 ½ 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.	20k
Repairs, Maintenance, Revegetation – 2 years @ \$10/year	<u>30k</u>
TOTAL	50k

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 TAILING 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 – \$80k SURETY REMAINING

Two years @ \$50k/year – \$100k

IX. SUB-TOTAL \$934k

X. 15% CONTINGENCY \$140k

XI. LONG-TERM SURVEILLANCE AND CONTROL FEE - \$846k SURETY REMAINING

\$250k in 1978\$ escalates to \$846k in 2009\$

XII. TOTAL \$1,920k

XIII. CURRENT APPROVED SURETY \$2,000k

XIV. RECOMMENDED APPROVAL \$2,000k

XV. ACTUAL SURETY IN PLACE \$2,000k