From: Mandeville, Douglas
Sent: Tuesday, March 02, 2010 9:03 AM
To: Garrett, Betty
Subject: email to add to ADAMS
Attachments: Fw: Proposed license conditions for North Butte, Ruth, Gas Hills, and SRHUP #10

Betty -

Please add the attached email to the Smith Ranch docket in ADAMS (04008964). This is publicly available.

Thanks.

Doug

Received: from HQCLSTR02.nrc.gov ([148.184.44.77]) by OWMS01.nrc.gov
([148.184.100.43]) with mapi; Tue, 2 Mar 2010 09:02:55 -0500
Content-Type: application/ms-tnef; name="winmail.dat"
Content-Transfer-Encoding: binary
From: "Mandeville, Douglas" <Douglas.Mandeville@nrc.gov>
To: "Garrett, Betty" <Betty.Garrett@nrc.gov>
Date: Tue, 2 Mar 2010 09:02:52 -0500
Subject: email to add to ADAMS
Thread-Topic: email to add to ADAMS
Thread-Index: Acq6EQz1z7aD7BwrTh6DER13XBb5Yw==
Message-ID:
<A41C2340DAB39B44AD0B9623285CB333088EB40FD6@HQCLSTR02.nrc.gov>
Accept-Language: en-US
Content-Language: en-US
X-MS-Has-Attach: yes
X-MS-Exchange-Organization-SCL: -1
X-MS-TNEF-Correlator:
<A41C2340DAB39B44AD0B9623285CB333088EB40FD6@HQCLSTR02.nrc.gov>
MIME-Version: 1.0

From: Scott_Bakken@cameco.com
Sent: Monday, February 22, 2010 7:43 PM
To: Mandeville, Douglas
Subject: Fw: Proposed license conditions for North Butte, Ruth, Gas Hills, and SRHUP #10
Attachments: pic06972.gif

Hi Doug,

Can you call me at your earliest convenience to discuss? We have reviewed the changes below and do not have any comments regarding surety amounts or revisions to language surrounding Criterion 9. However, we would like to discuss the sentence below:

The licensee shall continuously maintain an approved surety instrument for the current non-operational Reynolds Ranch ISL satellite facility in the amount of no less than $3,331,600.00, in favor of the State of Wyoming, until a replacement is authorized by both the State of Wyoming and the NRC.

I will be in all week and my schedule is pretty open for the most part.

Thanks,

Scott

Scott Bakken
Manager, Quality & Special Projects
Cameco Resources
141 Union Blvd, Ste 330
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----- Forwarded by Scott Bakken/Cameco on 02/22/2010 05:04 PM -----
"Mandeville, Douglas"
<Douglas.Mandeville@nrc.gov>
02/17/2010 08:35 AM

To

"Scott_Bakken@cameco.com"
<Scott_Bakken@cameco.com>

cc

Subject

Proposed license conditions for
North Butte, Ruth, Gas Hills, and
SRHUP #10

Scott -

During the review of the license amendment for Ruth, North Butte, Gas Hills and SRHUP#10, we've made a couple of minor changes to the language in License Condition 9.5. I've included the text of the license condition below. Please confirm that the surety amounts and language are acceptable.

9.5 The licensee shall maintain an NRC-approved financial surety arrangement, consistent with 10 CFR 40, Appendix A, Criterion 9, adequate to cover the estimated reclamation and closure costs, if accomplished by a third party, for all existing operations and any planned expansions or operational changes for the upcoming year. Reclamation includes all cited activities and groundwater restoration, as well as off-site disposal of all 11e.(2) byproduct material.

Within three months of NRC approval of a revised closure (decommissioning) plan and its cost estimate, the licensee shall submit, for NRC review and approval, a proposed revision to the financial surety arrangement if estimated costs exceed the amount covered in the existing financial surety. The revised surety instrument shall then be in effect within 30 days of written NRC approval of the surety documents.

Proposed annual updates to the surety amount, consistent with 10 CFR 40, Appendix A, Criterion 9, shall be provided to NRC 90 days prior to the anniversary date (e.g., renewal date of the surety instrument/vehicle) of September 30 of each year for Smith Ranch-Highland Uranium Project, March 26 for Ruth, April 30 for North Butte, November 7 for the Gas Hills Project. The surety update renewal date for Reynolds Ranch will be determined following consultation with PRI and the State of Wyoming. If NRC has not approved a proposed revision 30 days prior to the expiration date of the existing surety arrangement, the licensee shall extend the existing arrangement, prior to expiration, for one year. Along with each proposed revision or annual update of the surety, the licensee shall submit supporting documentation showing a breakdown of the costs and the basis for the cost estimates with adjustments for inflation, maintenance of a minimum 15 percent contingency, changes in engineering plans, activities performed, and any other conditions affecting estimated costs for site closure.

At least 90 days prior to beginning construction associated with any planned expansion or operational change which was not included in the annual surety update, the licensee shall provide, for NRC approval, an updated surety to cover the expansion or change. The licensee shall also provide NRC with copies of surety-related correspondence submitted to the State of Wyoming, a copy of the State's surety review, and the final approved surety arrangement. The licensee also must ensure that the surety, where authorized to be held by the State, identifies the

NRC-related portion of the surety and covers the above-ground decommissioning and decontamination, the cost of offsite disposal of 11e.(2) byproduct material, soil and water sample analyses, and groundwater restoration associated with the site. The basis for the cost estimate is the NRC-approved site closure plan or the NRC-approved revisions to the plan. Reclamation or decommissioning plan cost estimates, and annual updates, should follow the outline in Appendix E to NUREG-1569 (NRC, 2003), entitled "Recommended Outline for Site-Specific In Situ Leach Facility Reclamation and Stabilization Cost Estimates.

Power Resources, Inc., shall continuously maintain an approved surety instrument for the Smith Ranch Project, in favor of the State of Wyoming, in the amount of no less than $14,456,300.00, until a replacement is authorized by both the State of Wyoming and the NRC.
The licensee shall continuously maintain an approved surety instrument for the Highland Uranium Project in the amount of no less than $21,278,100.00, in favor of the State of Wyoming, until a replacement is authorized by both the State of Wyoming and the NRC.

The licensee shall continuously maintain an NRC-approved surety instrument for the current non-operational Ruth facility in the amount of no less than $181,000.00, in favor of the State of Wyoming, until a replacement is authorized by both the State of Wyoming and the NRC.
The licensee shall continuously maintain an NRC-approved surety instrument for the current non-operational North Butte facility in the amount of no less than $442,000.00 in favor of the State of Wyoming, until a replacement is authorized by both the State of Wyoming and the NRC.

The licensee shall continuously maintain an NRC-approved surety instrument for the current non-operational Gas Hills Project facility in the amount of no less than $1,944,000.00 in favor of the State of Wyoming, until a replacement is authorized by both the State of Wyoming and the NRC.
The licensee shall continuously maintain an approved surety instrument for the current non-operational Reynolds Ranch ISL satellite facility in the amount of no less than $3,331,600.00, in favor of the State of Wyoming, until a replacement is authorized by both the State of Wyoming and the NRC.

The licensee shall continuously maintain an NRC-approved surety instrument for deep disposal well SRHUP#10 at the Smith Ranch facility in the amount of no less than $172,700.00 in favor of the State of Wyoming, until a replacement is authorized by both the State of Wyoming and the NRC.
At least six months prior to the expected commencement of construction of a commercial facility at the Ruth, North Butte, Gas Hills Project ,and Reynolds Ranch sites, the licensee shall submit for NRC and State approval, an itemized cost estimate for implementation of the NRC-approved decommissioning/restoration plan for the commercial

facility. Site construction activities shall not commence until the NRC and State approve the surety amount and accept the surety arrangement. This surety shall be written in favor of the State of Wyoming or the NRC and shall be continuously maintained until a replacement is authorized by both the State of Wyoming and the NRC. [Applicable Amendments: 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 14, 16]

Thanks for your help. Feel free to give me a call if you have any questions.

Doug