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August 5, 2010

Mr. Doug Mandeville
U.S. Nuclear Regulatory Commission
11545 Rockville Pike
Two White Flint North, Mailstop T8 F5
Rockville, MD 20852-2738

RE: Source Materials License SUA-1548, Docket No. 40-8964
2010-11 Surety Estimate Update for Gas Hills Satellite Facility

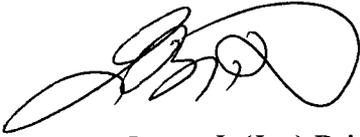
Dear Mr. Mandeville:

In accordance with License Condition 9.5 of SUA-1548, Power Resources, Inc. d/b/a/ Cameco Resources is providing the 2010-11 Surety Estimate Update for the Gas Hills Satellite Facility for NRC review and approval. The 2010-11 estimate results in a proposed surety amount of \$2,853,500, which is an increase of \$909,500 from the current approved amount of \$1,944,000. While the Gas Hills satellite facility remains non-operational, the surety estimate has been increased to reflect costs associated with the following line items:

- Costs have been added for demolished building debris to be hauled to the Riverton landfill, rather than buried in place as previously assumed (see Appendix B detail table Part I.B). This change is in response to WDEQ/LQD Comments on the Permit to Mine No. 687 update submitted in October 2009;
- Costs have been added to plug, abandon, and reclaim two proposed waste disposal injection wells (Appendix B table Part II.D). Installation of these wells is tentatively scheduled for 2011;
- Costs have been added to plug, abandon, and reclaim the Carol Shop No. 1 water supply well (Appendix B table Part II.C); and
- Costs have been added to remove and reclaim more site road culverts than previously estimated (Appendix B table Part III.B.5 and Part III.C.6).

If you have any questions or comments concerning the Gas Hills surety estimate update, please contact Larry Reimann at 307-237-2128, ext. 312.

Sincerely,
Cameco Resources



James J. (Joe) Brister
Director, Safety, Health, Environment, and Quality

JJB/sab

Att: 2010-11 Surety Estimate Update

cc: File GH4.6.4.1
T. Young, CR-Cheyenne
L. Reimann, CR-Casper
A. Kallas, CR-SRH

2010 - 2011 SURETY BOND ESTIMATE
 SUA-1548
 Gas Hills ISR Project - Cameco Resources

Total Reclamation Cost Estimate

PART I.	BUILDING DEMOLITION AND DISPOSAL COST	\$1,463,558
PART II.	WELLS + HOLES ABANDONMENT COST	\$505,511
PART III.	MISCELLANEOUS SURFACE RECLAMATION COST	\$313,700
SUBTOTAL RECLAMATION COST ESTIMATE		\$2,282,769
ADMINISTRATIVE, OVERHEAD, AND CONTINGENCY ITEMS (25%) ^a		\$570,692
TOTAL		\$2,853,461
TOTAL CALCULATED SURETY (IN 2010 DOLLARS^a)		\$2,853,500

^a Based on WDEQ-LQD Guideline No. 12 (10/2009)

Part I. Building Demolition and Disposal

	Carol Shop	Tire Shop	Change House	Air Comp Building	Water Treat Building	BaCl Building
A. Demolition Costs						
Assumptions:						
1. Building						
Volume of Building (CF)	1,977,851	54,560	18,600	6,240	6,600	6,600
Demolition Unit Cost per WDEQ Guideline No.12, App.K (\$/CF)	\$0.244	\$0.244	\$0.244	\$0.244	\$0.244	\$0.244
Subtotal Building Demolition Costs	\$482,596	\$13,313	\$4,538	\$1,523	\$1,610	\$1,610
2. Concrete Floor						
Area of Concrete Floor, SF	56,985	2,480	1,860	520	600	864
Demolition Unit Cost per WDEQ Guideline No.12, App.K (\$/SF)	\$4.80	\$4.80	\$4.80	\$4.80	\$4.80	\$4.80
Subtotal Concrete Floor Demolition Costs	\$273,528	\$11,904	\$8,928	\$2,496	\$2,880	\$4,147
3. Concrete Footing						
Length of Concrete Footing (ft)	1221	204	184	48	60	48
Demolition Unit Cost per WDEQ Guideline No.12, App.K (\$/lin. ft)	\$17.44	\$17.44	\$17.44	\$17.44	\$17.44	\$17.44
Subtotal Concrete Footing Demolition Costs	\$21,294	\$3,558	\$3,209	\$837	\$1,046	\$837
Demolition Unit Cost per Building	\$777,418	\$28,775	\$16,675	\$4,856	\$5,536	\$6,594
Subtotal Building Demolition	\$839,854					
B. Disposal Costs						
1. Building						
Assumptions						
Landfill Disposal Cost of \$97.70 / ton						
Building waste volume (CY)	2,711	181	128	40	41	41
Cost to Haul to Landfill						
Total trips @ 12yds each	226	15	11	3	3	3
Guideline 12 Appendix J Dump truck (\$54.19/hr.)	\$54.19	\$54.19	\$54.19	\$54.19	\$54.19	\$54.19
Transportation (2 trips per day, 12hr. days)	\$73,455	\$4,904	\$3,468	\$1,084	\$1,111	\$1,111
Disposal Unit Cost per WDEQ Guideline No.12, App.K (\$/ton)	\$97.70	\$97.70	\$97.70	\$97.70	\$97.70	\$97.70
Converted C&D waste to tons (.24 tons/CY)	651	43	31	10	10	10
Subtotal Building Disposal	\$137,022	\$9,148	\$6,470	\$2,022	\$2,072	\$2,072
2. Concrete Floor						
Area of Concrete Floor SF	56985	2480	1860	520	600	864
Average Thickness of Concrete Floor (ft)	0.833	0.5	0.5	0.5	0.5	0.5
Volume of Concrete Floor (CF)	47,469	1,240	930	260	300	432
Volume of Concrete Floor (CY)	1,758	46	34	10	11	16
Tons of Concrete (tons) (assume 150lbs/ft ³)	3,560	93	70	20	23	32
Cost to Haul to Landfill						
Total trips @ 12yds each	147	4	3	1	1	1
Guideline 12 Appendix J Dump truck (\$54.19/hr.)	\$54.19	\$54.19	\$54.19	\$54.19	\$54.19	\$54.19
Transportation (2 trips per day, 12hr. days)	\$47,636	\$1,244	\$933	\$261	\$301	\$434
Disposal Unit Cost per WDEQ Guideline No.12, App.K (\$/ton)	\$97.70	\$97.70	\$97.70	\$97.70	\$97.70	\$97.70
Subtotal Concrete Floor Disposal	\$395,461	\$10,330	\$7,748	\$2,166	\$2,499	\$3,599
3. Concrete Footing						
Length of Concrete Footing (ft)	1,221	204	184	92	97	94
Average Depth of Concrete Footing (ft)	4	3	3	3	3	3
Average Width of Concrete Footing (ft)	0.75	0.75	0.75	0.75	0.75	0.75
Volume of Concrete Footing (CF)	3663	459	414	207	218.25	211.5
Volume of Concrete Footing (CY)	136	17	15	8	8	8
Tons of Concrete (tons) (assume 150lbs/ft ³)	275	34	31	16	16	16
Cost to Haul to Landfill						
Total trips @ 12yds each	11	1	1	1	1	1
Guideline 12 Appendix J Dump truck (\$54.19/hr.)	\$54.19	\$54.19	\$54.19	\$54.19	\$54.19	\$54.19
Transportation (2 trips per day, 12hr. days)	\$3,676	\$461	\$415	\$208	\$219	\$212
Disposal Unit Cost per WDEQ Guideline No.12, App.K (\$/ton)	\$97.70	\$97.70	\$97.70	\$97.70	\$97.70	\$97.70
Subtotal Concrete Footing Disposal Costs	\$30,517	\$3,824	\$3,449	\$1,725	\$1,818	\$1,762
Subtotal Disposal Costs per Building	\$563,000	\$23,302	\$17,667	\$5,913	\$6,389	\$7,433
Total Building Disposal	\$623,704					
SUBTOTAL DEMOLITION + DISPOSAL COSTS PER BUILDING	\$1,340,418	\$52,077	\$34,342	\$10,769	\$11,925	\$14,027
TOTAL BUILDING DEMOLITION + DISPOSAL COSTS	\$1,463,558					

2010 - 2011 SURETY BOND ESTIMATE
 SUA-1548
 Gas Hills ISR Project - Cameco Resources

	Unit Cost	Units	Est. QTY	Total
Part II. Well & Hole Abandonment				
A. Monitoring Wells ¹				
Site Location ¹	\$10	site	1	\$10
Removal of the Top Few Feet of Casing	\$15	well	1	\$15
Sealing of wells using High Solids Bentonite Grout				
(<500'depth)	\$4.00	linear foot	500	\$2,000
(>500' depth)	\$6.28	linear foot	1000	\$6,280
Concrete Well Cap, pre-cast	\$15	ea	1	\$15
Rough site grading @ \$35/site	\$35	site	1	\$35
Final Site Grading and Seeding (800 SF per well site, 2008 Actual)	\$52	site	1	\$52
Subtotal for well <500'	\$2,127	well	--	
Subtotal for well <1000'	\$6,407	well	--	
Existing Monitor Wells (<500')	\$2,127	well	56	\$119,112
Monitor Wells P&A 2008 (Surface Reclamation)	\$97	well	12	\$1,164
Subtotal Monitoring Well Abandonment Costs				\$120,276
B. Production Wells ¹				
Removal of the Top Few Feet of Casing, per well	\$15	well	0	\$0
Sealing of wells using High Solids Bentonite Grout				
(<500'depth)	\$4.00	linear foot	0	\$0
(>500' depth)	\$6.28	linear foot	0	\$0
Concrete Well Cap	\$15	ea	0	\$0
Subtotal Production Well Abandonment				\$0
C. Water Supply Wells Carol Shop #1 + GHWW1 (Fed 32-2) ^{1,2}				
Removal of the Top Few Feet of Casing	\$15	well	2	\$30
Sealing of wells using High Solids Bentonite Grout (<500'depth)	\$4.00	linear foot	350	\$1,400
(>500' depth)	\$6.28	linear foot	1675	\$10,519
(TD = 1325' GHWW1, TD = 350' Carol Shop 1)				
Concrete Well Cap @ \$15.00 ea.	\$15	well	2	\$30
Subtotal Water Supply Wells Abandonment				\$11,979
D. Waste Disposal Injection Wells				
1. Seal Well using high-solids bentonite grout	\$11.91	linear foot	10,350	\$123,269
Assume: TD = 3850' InjWell 1, TD = 6500' InjWell 2;				
sealing unit cost from Smith Ranch-Highland injection well (UIC) permit.				
2. Dismantle & Decontaminate Pumps [2011 install not planned]		pump	0	
Assume 2 pumps, 2 laborers, 4 days	\$258	day/person	0	\$0
3. Remove & Dispose of Well Tubing String (NRC-Licensed Facility) [2011 install not planned]				
Tubing String Length		feet	0	
Tubing String diameter (2.785 inches)		feet	0	
Tubing String volume, cubic feet (CF)		CF	0	
Transportation and Disposal	\$6.41	CF	0	\$0
Subtotal Waste Disposal Well Abandonment				\$123,269
E. Exploratory / Delineation Drilling				

2010 - 2011 SURETY BOND ESTIMATE
 SUA-1548
 Gas Hills ISR Project - Cameco Resources

	Unit Cost	Units	Est. QTY	Total
1. Plugging, Abandonment, & Surface Reclamation for Proposed Holes				
Site Location ¹	\$10	site	50	\$500
Sealing of wells using High Solids Bentonite Grout				
(<500' depth)	\$4.00	linear foot	0	\$0
(>500' depth) average depth = 700 feet	\$6.28	linear foot	50	\$219,800
Rough site grading @ \$35/site	\$35	site	50	\$1,750
Final Site Grading and Seeding, 800 SF/site ('07-'09 GH avg. unit cost)	\$61	site	50	\$3,033
Subtotal for 50 x 700' Holes (Planned 2010 Program)				\$225,083
2. Surface Reclamation Bond for Completed (P&A) Drill Holes				
drilled 2008 State Lease: 110 x 400' holes	\$106	hole	110	\$11,623
drilled 2008 Federal surface: 46 x 800' holes	\$106	hole	46	\$4,861
drilled 2009: 22 x 690' holes	\$106	hole	22	\$2,325
Drilling Water Pond: 48(long) X 48(wide) X 4(deep)	\$120	hr	5	\$600
Seeding of one staging/lay down area (60' X 60' = 0.08 acre) ³	\$6,063	ac	0.08	\$485
Seeding of 2-track access to drill sites ³	\$6,063	ac	0.83	\$5,010
(QTY est. from GH BLM Apr.'10 drilling NOI est.)				
Subtotal for Completed Drilling				\$24,904
TOTAL WELL + HOLE ABANDONMENT COSTS				\$505,511

- 1: Based on WDEQ-LQD Guideline No. 12 (10/2009)
- 2: Site Reclamation included in Part III "MISC SURF REC" worksheet
- 3: Based on Guideline No. 12, App. Q

Part III. Miscellaneous Surface Reclamation

A. Carol Shop/Office Area	Unit Cost	Units	Est. QTY	Total
1. Topsoil Application				
Topsoil Surface Area		acres	21	
Topsoil Average Depth		feet	0.5	
Topsoil Application (WDEQ Guideline No.12, App.C)	\$1.319	CY	16,940	\$22,344
Assume: level ground, average haul distance =		feet	2,000	
Concrete, asphalt, and building material used to backfill low areas;				
2. Discing/Seeding	\$685	acre	21	\$14,385
from Smith Ranch-Highland '08 actual cost				
Subtotal Carol Shop/Office Area Reclamation				\$36,729
B. Carol Shop Road				
1. Gravel Road Base Removal				
Road Length		miles	5	
Road average width		feet	50	
Width Gravel Road Base		feet	50	
Road Base Average Depth		feet	0.5	
Road Base Volume		CY	24,444	
Gravel Road Base Removal (WDEQ Guideline No.12, App.C)	\$1.018	CY	24,444	\$24,884
Assume: level ground, average haul distance =		feet	1,000	
2. Ripping Overburden with Dozer (WDEQ Guideline No.12, App.I1)	\$902.70	ac	30	\$27,081
3. Topsoil Application (WDEQ Guideline No.12, App.C)	\$1.018	CY	24,444	\$24,884
Topsoil Surface Area		SF	1,320,000	
Topsoil Depth		feet	0.5	
Topsoil Volume		CY	24,444	
Assume: average haul distance =		feet	1,000	
4. Discing/Seeding	\$685	ac	30	\$20,550
5. Culvert Removal				
Culvert Removal (WDEQ Guideline No.12, App.J)	\$101.21	ea	40	\$4,048
Fill Removal/Drainage Reestablishment	\$500	ea	40	\$20,000
Subtotal Carol Shop Road Reclamation				\$121,448
C. AML Road Reclamation				
1. Gravel Road Base Removal				
Road Length		miles	4.3	
Road average width		feet	66.0	
Road surface area		ac	34.4	
Gravel Road Base Width		feet	66	
Average Road Base Depth		feet	0.5	
Road Base Volume		CY	27,749	
Gravel Road Base Removal (WDEQ Guideline No.12, App.C)	\$1.018	CY	27,749	\$28,249
Assume: level ground, average haul distance =		feet	1000	
2. Other reclamation areas associated with the road				
Topsoil Surface Area		ac	2.4	
Turnaround Area		ac	0.9	
Other reclamation areas		ac	3.3	
3. Ripping Overburden with Dozer				
Overburden Surface Area (acres)		ac	38	
Ripping Ripping Overburden (per WDEQ Guideline No.12, App.I1)	\$902.70	ac	38	\$34,041
4. Topsoil Application (WDEQ Guideline No.12, App.C)	\$1.02	CY	30,419	\$30,967
Topsoil Surface Area		SF	1,642,648	
Topsoil Depth		feet	0.5	

Part III. Miscellaneous Surface Reclamation

Topsoil Volume		CY	30,419	
Assume: Average haul distance =		feet	1,000	
5. Discing/Seeding	\$685	ac	38	\$25,831
6. Culvert Removal				
Culvert Removal (WDEQ Guideline No.12, App.J)	\$101.21	ea	20	\$2,024
Fill Removal/Drainage Reestablishment (\$/each)	\$500	ea	20	\$10,000
Subtotal AML Road Reclamation				\$131,112
D. Surface Reclamation Water Supply + Waste Disposal Injection Wells				
1. Well Sites (2 supply wells + 2 disposal injection wells)				
Well Sites surface area		SF	261,232	
a. Ripping Overburden with Dozer	\$902.70	ac	6	\$5,416
b. Topsoil Application				
Topsoil Surface Area		SF	261,232	
Topsoil Depth		feet	0.5	
Topsoil Volume		CY	4,838	
Topsoil Application (WDEQ Guideline No.12, App.C)	\$1.02	CY	4,838	\$4,925
c. Discing/Seeding Surface	\$685	ac	6	\$4,110
Assume:				
Surface grade: Level ground				
Average haul distance (ft)				
2. Access Road Reclamation				
Road Length		feet	2,525	
Road average width		feet	20	
Road surface area		SF	50,500	
a. Gravel Road Base Removal				
Road Base Average Depth		feet	0.33	
Gravel Road Base Removal (WDEQ Guideline No.12, App.C)	\$1.02	CY	617	\$628
b. Ripping Overburden with Dozer (WDEQ Guideline No.12, App.I1)	\$902.70	ac	1.16	\$1,047
c. Topsoil Application				
Topsoil Depth		feet	0.67	
Topsoil Volume		CY	1,253	
Topsoil Application (WDEQ Guideline No.12, App.C)	\$1.02	CY	1,253	\$1,276
d. Discing/Seeding	\$685	ac	1.16	\$795
Subtotal Water Supply + Disposal Wells Surface Reclamation				\$18,197
E. Demolition, Removal of Surface Water Monitoring Stations				
Demol'n Surface Water Monitoring Stns (WDEQ Guideline No.12, App.N)	\$2,071.28	ea	3	\$6,214
TOTAL MISCELLANEOUS SURFACE RECLAMATION COSTS				\$313,700

ac - acres
 CF - cubic feet
 CY - cubic yards
 ea - each

ft - feet
 lin. ft - linear feet
 SF - square feet
 QTY - quantity