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**ExxonMobil**

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**VIA OVERNIGHT MAIL**

October 2, 2011

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,  
2011-2012 Surety Update**

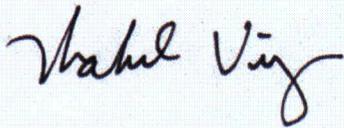
Dear Dr. McLaughlin:

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 previous amount of the surety was \$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  
Bruce Wielinga -- AMEC  
Rebecca Bilodeau – Advanced Environmental Sciences, Inc.  
File – Financial Surety

FSME26

**ATTACHMENT I  
HIGHLAND RECLAMATION PROJECT  
FOR PERIOD OF NOVEMBER 2010 TO NOVEMBER 2011**

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 \$784k 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 wells (25 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.                            | 20        |
| Repairs, Maintenance, Revegetation – 2 years @ \$10/year | <u>30</u> |
| TOTAL  | 50        |

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<br>(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 – \$100k SURETY REMAINING

Two years @ \$50k/year – \$100k

IX. SUB-TOTAL \$934k

X. 15% CONTINGENCY \$140k

XI. LONG-TERM SURVEILLANCE AND CONTROL FEE - \$868k SURETY REMAINING

\$250k in 1978 dollars escalates to \$868k in 2011 dollars – Source:www.bls.gov

XII. TOTAL \$1,942k

XIII. CURRENT APPROVED SURETY \$2,000k

XIV. RECOMMENDED APPROVAL \$2,000k

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