

Umetco Minerals Corporation



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June 12, 2012

Mr. Dominick Orlando
U.S. Nuclear Regulatory Commission
Fuel Cycle Facilities Branch
Division of fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards
Mail Stop T-8-A-33
Two White Flint North, 11545 Rockville Pike
Rockville, Maryland 20852-2738

Subject: **Umetco Gas Hills, Wyoming, 2012 Financial Surety Update**
Reference: **Materials License SUA-648; Docket No. 40-0299**

Dear Mr. Orlando:

Enclosed please find the annual financial surety update for Umetco Minerals Corporation's (Umetco) Gas Hills, Wyoming site as required by License Condition (LC) 55.

The enclosed surety update excludes costs associated with the Erosion Protection Enhancement work that was completed in 2011 (LC 63) as this work was accepted by NRC letter dated May 11, 2012 and NRC field inspection on June 5, 2012.

Remaining costs associated with monitoring, holding, and site transfer were established in Umetco's 2004 financial surety update. Umetco's review of these costs found no basis for adjustment except for inflation. Accordingly, the attached costs have been adjusted using the latest (April 2012) consumer Price Index (CPI). The resulting financial surety calculation reduces the required surety amount from \$4,878,787 to \$1,024,733.

Please contact me at 970-256-8889 or by e-mail at gieckte@dow.com if you have any questions or comments.

Regards,

Thomas E. Gieck
Remediation Leader

TEG/jfc

Enclosure: As stated

cc: Mark Moxley, WDEQ

Gas Hills Financial Surety Cost Summary

	Original Estimate			CPI April, 2012	Current Amount
	Cost	Date	CPI		
Groundwater Monitoring ¹⁾	37,746	Sept. 2004	189.900	230.12	45,740
Radiation Safety Officer (20% of full time) ¹⁾	34,180	Sept. 2004	189.900	230.12	41,419
Site Property Taxes	3,450	Sept. 2004	189.900	230.12	4,181
Legal Expenses - Land Transfer ¹⁾	69,000	Sept. 2004	189.900	230.12	83,614
Long-Term Surveillance Fee	250,000	Dec. 1978	67.700	230.12	849,778
Total Surety Required					<u>1,024,733</u>

¹⁾ Costs shown above are inclusive of contractor's overhead (10%) and profit (10%) applied to unit costs for the work. A 15% contingency has also been applied. Cost estimate amounts are from Umetco's 9/29/04 submittal.