

Umetco Minerals Corporation



2754 Compass Drive, Suite 280
Grand Junction, Colorado 81506-8728
(970) 245-3700

June 2, 2014

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, 2014 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 55.

Reclamation at this site has been completed and accepted by NRC. Remaining costs associated with monitoring, holding, and site transfer were established in Umetco's 2004 financial surety update. Our review of these costs identified no basis for adjustment except for anticipated costs associated with resolution NRC concerns regarding groundwater attenuation at the site. Umetco is currently conducting groundwater sampling and geochemical modeling to address these concerns, however, the ultimate result of this evaluation is currently unknown. Accordingly, the attached Financial Surety Cost Estimate includes a line item for the estimated cost of the groundwater evaluation which will be completed this year. The remaining items have been adjusted using the latest (April 2014) Consumer Price Index (CPI-U) obtained from the Bureau of labor and Statistics web site. The resulting financial surety calculations increase the required surety amount from \$1,035,469 (approved by License Amendment 69, September 5, 2013) to \$1,161,638.

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: Melissa L. Bautz, P.G. - WDEQ

NMSS01

Umetco Gas Hills Financial Surety Estimate

Activity	Original Estimate			2014 Estimate Update	
	Cost	Date	CPI	CPI April 2013	Current Amount
Groundwater Monitoring ¹⁾	37,746	Sept. 2004	189.9	237.072	47,122
Radiation Safety Officer (20% of full time) ¹⁾	34,180	Sept. 2004	189.9	237.072	42,670
Site Property Taxes ¹⁾	3,450	Sept. 2004	189.9	237.072	4,307
Legal Expenses - Land Transfer ¹⁾	69,000	Sept. 2004	189.9	237.072	86,140
Long-Term Surveillance Fee ¹⁾	250,000	Dec. 1978	67.7	237.072	875,451
Groundwater Evaluation ²⁾	105,948	Current	237.072	237.072	105,948

Total Surety Required = \$1,161,638

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.

²⁾ Groundwater Evaluation

<u>Third Party Consultant</u>	<u>Rate</u>	<u>Estm. Hours</u>	<u>Amount</u>
Geochemist	135.00	320	43,200.00
Hydrogeologist	110.25	320	35,280.00
		Subtotal =	78,480.00
		10% Profit =	7,848.00
		10% Overhead =	7,848.00
		15% Contingency =	11,772.00
		Groundwater Evaluation Cost =	\$105,948.00