

January 8, 2015

Ms. Nancy Nuttbrock, LQD Administrator
Wyoming Department of Environmental Quality
122 West 25th St.
3rd Floor West
Herschler Building
Cheyenne, WY 82002

SUBJECT: COST ESTIMATE FOR DECOMMISSIONING THE AMERICAN NUCLEAR
CORPORATION GAS HILLS SITE

Dear Ms. Nuttbrock:

On May 9, 1994, the American Nuclear Corporation (ANC) announced that it intended to discontinue operations at its Gas Hills Site and go out of business. The company forfeited its \$3.2 million reclamation bond to Wyoming Department of Environmental Quality (WDEQ) in October 1994, and WDEQ subsequently undertook reclamation activities at the site using these funds. The site encompasses about 550 acres of land, and consists of two former tailings impoundments.

In 1996, the WDEQ accepted and agreed to the terms of Confirmatory Order (Order) issued by the U.S. Nuclear Regulatory Commission (NRC) for the reclamation of the ANC Gas Hills site. The Order was signed by the NRC and WDEQ in October 1996 (Agencywide Document Access Management System (ADAMS) Accession No. ML071520354). In response to a request by WDEQ, the Order was subsequently modified by letter dated August 11, 2009 (ADAMS Accession No. ML091330303). By letter dated May 29, 2012, the NRC proposed additional modifications to the Order that would result in the temporary suspension of a majority of the Parts of the Order until financial issues affecting WDEQ's remediation could be resolved (ADAMS Accession No. ML120670346). WDEQ agreed to these additional modifications by letter dated July 30, 2012 (ADAMS Accession No. ML14122A199). The Order was modified again on June 12, 2014 (ADAMS Accession No. ML14106A328), and WDEQ agreed to the modifications on July 1, 2014 (ADAMS Accession No. ML14206A590). The Order now requires only that ground water sampling be continued and the results reported to NRC.

Since the Order was last modified, WDEQ and the NRC have maintained a dialog on the financial and technical issues related to the reclamation of the ANC Gas Hills site. Both parties acknowledge that there are insufficient funds to finish the decommissioning of the site. NRC has estimated the amount needed to complete the decommissioning and transfer of the site to the U.S. Department of Energy (DOE) and is enclosing this estimate for WDEQ's planning purposes. Note that NRC has not discussed the long-term care and maintenance activities that may be necessary after transfer of the site to DOE or the long-term care fee for the site with the DOE. Thus, the estimate provided in the attached spreadsheet for the long-term care of the site should be used carefully and should not be considered or represented as the final long-term care fee for the site.

N. Nuttbrock

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If you have any questions, please contact Tom McLaughlin, the Project Manager for the site, at Thomas.McLaughlin@nrc.gov or (301) 415-5869.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedures," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of ADAMS. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

/RA/

Andrew Persinko, Deputy Director
Division of Decommissioning, Uranium Recovery,
and Waste Programs
Office of Nuclear Material Safety
and Safeguards

Docket No: 04004492

Enclosure:
Decommissioning Cost Estimate

cc: Mathu Kuchanur, WDEQ
Brian Wood, WDEQ

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