

Umetco Minerals Corporation



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May 26, 2016

Mr. Dominick Orlando, Senior Project Manager
Materials Decommissioning Branch
Division of Decommissioning, Uranium Recovery and Waste Management Programs
Office of Nuclear Material Safety and Safeguards
Mail Stop T8F5
11545 Rockville Pike
Rockville, Maryland 20852

Subject: **Umetco Minerals, Wyoming; 2016 Financial Surety Update**
Reference: **Radioactive Materials License SUA-648; Docket No. 40-0299**

Dear Mr. Orlando:

This submittal provides Umetco Minerals Corporation's (Umetco) annual financial assurance update and contains proprietary information; accordingly, Umetco requests the information contained herein not be disclosed to the public.

NRC's review of Umetco's 2015 Financial Assurance Surety update ultimately resulted in submittal of information which provided a new baseline cost estimate that was approved by License Amendment 72 contained in NRC letter dated February 8, 2016.

There have been no activities or developments at the site subsequent to February 8, 2016 surety approval that would result in modification of the existing surety amount. Accordingly, Umetco is proposing that the 2016 financial surety amount be determined by inflating the financial assurance amount approved by License Amendment 72 using the consumer price index as published by U.S. Department of Labor, Bureau of Labor Statistics. The baseline estimates for the following cost items were current as of June 2015 ($CPI-U = 238.638$):

- Groundwater Monitoring
- Installation of New Wells
- Groundwater Evaluation
- Radiation Safety Officer
- Annual Property Tax

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Costs for Land Transfer Legal Expense were current as of September 2004 (*CPI-U = 189.9*), and the minimum Long Term Surveillance Fee is based on \$250,000 in 1978 dollars (*CPI-U = 67.7*).

The attached table provides the inflation calculation using the applicable base-line cost date and corresponding CPI-U index.

The resulting financial assurance cost estimate proposed by Umetco is \$1,428,283.25 which is an increase of \$4,297.58 from the currently approved amount of \$1,423,985.67 (approved by License Amendment No. 72, February 8, 2016).

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: Excel Table

Umetco Gas Hills - 2016 Financial Surety Estimate

Cost Item	Amount Approved by 2015 Update	Baseline Date	Baseline CPI	Latest CPI April 2016	Inflated Amount
Groundwater Monitoring	\$48,260.08	June-15	238.638	239.261	\$48,386.07
Installation of New Wells	\$101,976.32	June-15	238.638	239.261	\$102,242.54
Groundwater Evaluation	\$80,220.80	June-15	238.638	239.261	\$80,430.23
Radiation Safety Officer	\$36,852.00	June-15	238.638	239.261	\$36,948.21
Land Transfer Legal Expense	\$69,000.00	September-04	189.9	239.261	\$86,935.28
Long Term Surveillance Fee	\$250,000.00	December-78	67.7	239.261	\$883,533.97
Annual Property Tax	\$3,500.00	June-15	238.638	239.261	\$3,509.14

Subtotal = \$1,241,985.44
 15% Contingency = \$186,297.82
Total Financial suety Amount = \$1,428,283.25

- 1) Based on estimate provided in Umetco Letter dated 12/21/15.
- 2) Most current CPI-U available (April 2016) utilized for estimate.