



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

April 10, 2017

Mr. Bill Halliburton
Administrator, Cimarron Environmental
Response Trust
c/o Environmental Properties Management, LLC
9400 Ward Parkway
Kansas City, MO 64114

SUBJECT: APPROVAL OF CIMARRON ENVIRONMENTAL RESPONSE TRUST
PROPOSED 2017 BUDGET, REVISION 2 FOR THE CIMARRON FACILITY IN
CRESCENT, OKLAHOMA

Dear Mr. Halliburton:

The U.S. Nuclear Regulatory Commission (NRC) staff has reviewed the Cimarron Environmental Response Trust (CERT) Proposed 2017 Budget, Revision 2 that was submitted by letter dated February 24, 2017 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML17083B567). The Revision 2 proposed budget for CY 2017 was developed based on the NRC and Oklahoma Department of Environmental Quality (ODEQ) staff review and comment on the Proposed Budget, dated October 25, 2016 (ADAMS Accession No. ML17060A328) and the Proposed Budget, Revision 1 dated December 29, 2016 (ADAMS Accession No. ML17060A318).

The October 25, 2016, proposed budget included funding for the fabrication of water treatment systems and construction of the full-scale groundwater extraction and treated water injection infrastructure. This resulted in a proposed budget of \$29,338,020.00.

At the NRC staff's request, the December 29, 2016, Budget Revision 1 split the License Compliance Task (Task 2) into Task 2a, "License Compliance Prior to Construction," and 2b, "License Compliance During Construction," and split the Site Decommissioning Task (Task 4) into Task 4a, "Decommissioning Planning," and 4b, "Decommissioning Construction." In both cases, the "a" tasks included funding for that portion of the defined scope of work that will be performed in 2017, and the "b" tasks included funding for tasks that may not be implemented until 2018.

During the February 22, 2017, monthly status teleconference, the NRC staff noted that a substantial portion of the proposed budget is for the "b" task construction which may or may not occur before the 2018 budget is approved. NRC stated that it was not willing to approve the full amount in the Proposed 2017 Budget, Revision 1.

Subsequently, by letter dated February 24, 2017, CERT submitted the Proposed 2017 Budget, Revision 2 to the NRC and ODEQ showing the funding that is needed if the scope of work for Tasks 2b and 4b is not performed. A row was added at the bottom of the Revision 2 budget spreadsheet to show the funding needed for design and pilot test activities for 2017. It includes limited construction for the installation and testing of pilot scale injection and extraction trenches.

As a result of these modifications in the Proposed 2017 Budget, Revision 2, CERT requested NRC and ODEQ approval of a budget of \$6,306,030.00 for CY 2017. The NRC staff determined that this should be sufficient to cover identified activities and expenses through 2017. Should it become apparent that a portion of the scope of work for construction that was described in the December 29, 2016, proposed budget submittal can be completed before a budget for 2018 can be approved, CERT may request approval of additional funding. This will minimize the potential for delay due to the administrative process required to obtain approval of a budget for 2018.

Based on our review, the NRC staff approves the CERT Proposed 2017 Budget Revision 2 dated February 24, 2017, for \$6,306,030.00. Please submit this as a Final Budget for CY 2017.

As you know, the NRC staff is currently considering the issue of collecting for uncollected fees that were accrued during the Tronox bankruptcy. Should the NRC choose to collect, you will receive an invoice for the amount along with NRC and ODEQ approval to pay the invoiced amount from the Federal Environmental Trust Account.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," 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 NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions concerning this letter, please contact Mr. Kenneth Kalman at (301) 415-6664 or via email at kenneth.kalman@nrc.gov.

Sincerely,

/RA/

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

cc: Cimarron Site Service List

Subject: Approval of Cimarron Environmental Response Trust Proposed 2017 Budget FOR the Cimarron Facility in Crescent, Oklahoma – **April 10, 2017**

ML17047A154

OFC	DUWP	DUWP	DUWP	DUWP
NAME	KKalman	CHolston	TSmith	AKock
DATE	3/10/2017	3/15/2017	3/15/2017	4/10/2017

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Cimarron Site Service List - Ken Kalman, Project Manager

cc:

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