

Umetco Minerals Corporation



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June 6, 2017

Mr. Dominic Orlando, Senior Project Manager
Decommissioning and Uranium Licensing Directorate
Division of Waste Management and Environmental Protection
Office of Federal and State Materials and Environmental Management Programs
U.S. Nuclear Regulatory Commission
Mail Stop T-8F5
11545 Rockville Pike
Rockville, Maryland 20852

Subject: **Umetco Minerals Corporation, Gas Hills, Wyoming
2017 Financial Surety Update**

Reference: **License SUA-648, Docket No. 40-0299**

Dear Mr. Orlando:

License Condition 55 requires Umetco Minerals Corporation ("Umetco" or "Licensee") to submit an annual financial surety update to the NRC at least 3 months prior to the anniversary date, which is designated as September 13 of each year.

NRC's review of Umetco's 2015 Financial Surety update ultimately resulted in establishment of a new baseline estimate that was approved by License Amendment 72 transmitted by NRC letter dated February 8, 2016. There have been no activities or developments at the site subsequent to the February 8, 2016 surety approval that would result in modifications of the surety estimate other than an appropriate inflationary adjustment. Accordingly, Umetco is proposing that the 2017 financial surety amount be determined by inflating the amount approved by License Amendment 72 using the Consumer Price Index (CPI-U) as published by U.S. Department of Labor, Bureau of Labor Statistics.

The attached table provides the inflation calculation using the applicable base-line cost date and corresponding CPI-U index. The baseline estimate for the following cost items were current as of June 2015 (CPI-U = 238.638:

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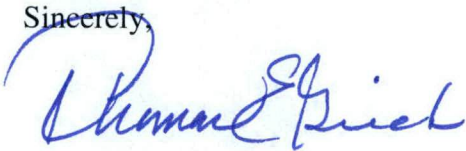
- Groundwater Monitoring
- Installation of New Wells
- Groundwater Evaluation
- Radiation Safety Officer
- Annual Property Tax

The cost of Land Transfer Legal Expense was 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 resulting financial assurance cost estimate proposed by Umetco is \$1,459,701.06 which is an increase of \$31,417.81 from the currently approved amount of \$1,428,283.25.

If you have any concerns please contact me at 970-256-8889 or by e-mail or gieckte@dow.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Thomas E. Gieck". The signature is fluid and cursive, with a large initial "T" and "G".

Thomas E. Gieck
Reclamation Leader

Attachment: As stated

Umetco Gas Hills - 2017 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 2015	238.638	244.524	\$49,450.41
Installation of New Wells	\$101,976.32	June 2015	238.638	244.524	\$104,491.56
Groundwater Evaluation	\$80,220.80	June 2015	238.638	244.524	\$82,199.44
Radiation Safety Officer	\$36,852.00	June 2015	238.638	244.524	\$37,760.95
Land Transfer Legal Expense	\$69,000.00	September 2004	189.9	244.524	\$88,847.58
Long Term Surveillance Fee	\$250,000.00	December 1978	67.7	244.524	\$902,968.98
Annual Property Tax	\$3,500.00	June 2015	238.638	244.524	\$3,586.33

Subtotal = \$1,269,305.27

15% Contingency = \$190,395.79

Total Financial suety Amount = \$1,459,701.06

- 1) Based on estimate provided in Umetco Letter dated 12/21/15.
- 2) Most current CPI-U available (April 2017) utilized for estimate.