

**TECHNICAL EVALUATION REPORT FOR RIO ALGOM MINING LLC
2017 FINANCIAL ASSURANCE SURETY UPDATE FOR THEIR AMBROSIA LAKE
FACILITY, MCKINLEY COUNTY, NEW MEXICO**

DOCKET NO.: 040-8905

LICENSE NO.: SUA-1473

DATE: November 28, 2017

FACILITY: Rio Algom Mining LLC – Ambrosia Lake Facility, McKinley County, New Mexico

TECHNICAL REVIEWERS: Mirna Flores, Varughese Kurian

PROJECT MANAGER: Varughese Kurian

SUMMARY AND CONCLUSIONS

On June 16, 2017, Rio Algom Mining LLC submitted its proposed 2017 annual surety update for the Ambrosia Lake Facility, in McKinley County, New Mexico, License SUA-1473. The Ambrosia Lake Facility is a uranium recovery facility that is currently undergoing reclamation and decommissioning. Under condition 22 of the Source Material License SUA-1473, the licensee is required to submit annual updates to the surety amount by June 30th. The reclamation surety bond estimate provided by Rio Algom Mining LLC is estimated to be \$5,501,494, which is \$1,283,975 more than the 2016 surety estimate of \$4,217,519, to include the consumer price index and the addition of Monitoring and Well Closure activities. According to the 2017 surety update, the licensee retains a financial surety instrument in the amount of \$16,000,000.

Staff evaluated the contents of the cost estimate according to Title 10 of the *Code of Federal Regulations*, Part 40, Appendix A, Criteria 9 and 10 and Appendix C to NUREG-1620, Rev. 1, “Outline Recommended by the U.S. Nuclear Regulatory Commission Staff for Preparing Site-Specific Facility Reclamation and Stabilization Cost Estimates for Review.” Based on our review, staff cannot verify the work completed as provided in the 2017 surety update until the Completion Report is finalized. Accordingly, the NRC staff recommends that the licensee maintain the financial surety instrument in the amount of \$16,000,000, until the completed work may be verified.