



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

October 22, 2018

Ms. Theresa Ballaine
New Mexico Project Manager
Rio Algom Mining LLC
P.O.Box 218
Grants, NM 87020

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION VERIFICATION FOR 2018
SURETY UPDATE, RIO ALGOM MINING LLC, MCKINLEY COUNTY, NM,
DOCKET NUMBER 040-08905, SOURCE MATERIAL LICENSE SUA-1473,
(EPID: L-2018-DFA-0007)

Dear Ms. Ballaine:

By letter dated June 26, 2018 (ML18193A454), Rio Algom Mining LLC (Rio Algom), submitted the annual surety for its Ambrosia Lake facility to the U.S. Nuclear Regulatory Commission (NRC). As a result of this submittal, the surety amount decreased from \$5,501,494 in 2017 to \$4,732,103 in 2018. This is based on the consumer price index and a revised anticipated completion cost. Rio Algom continues to retain a financial surety instrument in the amount of \$16,000,000.

Based on the information provided in Rio Algom's surety update submittal, the NRC staff has determined that the surety estimate is acceptable as documented in the NRC staff's technical evaluation report (enclosed). License Condition 22 will remain as \$16,000,000, until the completed work may be verified and an updated surety estimate from Rio Algom is approved by the NRC.

If you have any questions, please contact Mr. James Webb, Project Manager, at (301) 415-6252, or by email at James.Webb@nrc.gov

As a result of this review and verification, the NRC staff has completed its work on Enterprise Project Identifier (EPID) L-2018-DFA-0007. Therefore, this cost activity code number will be closed with no further charges against it.

In accordance with Title 10 of the *Code of Federal Regulations*, Part 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>.

Sincerely,

/RA/

James Webb, Project Manager
Division of Decommissioning, Uranium Recovery
and Waste Programs
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-8905
License No.: SUA-1473

Enclosure: Technical Evaluation Report

cc: A. Rheubottom, NMEQ

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ADAMS Accession No.: ML18283B599 PKG

***via email**

OFFICE	DUWP	DUWP	DUWP	DUWP	DUWP
NAME	JWebb	SAchten*	RAugustus	BVonTill	JWebb
DATE	10/15/2018	10/15/2018	10/16/2018	10/23/2018	10/23/2018

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