

Umetco Minerals Corporation

40-8681



WHITE MESA MILL • P.O. BOX 669 • BLANDING, UTAH 84501
☎ (801) 678-2221

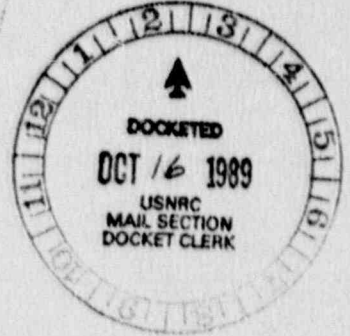
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RETURN ORIGINAL TO PDR, HQ.

October 6, 1989

Mr. Ramon E. Hall, Director
U. S. Nuclear Regulatory Commission
Region IV
Uranium Recovery Field Office
Box 25325
Denver, CO 80225

OCT 10 1989



Re: Umetco Minerals Corporation
SUA-1358: Docket No. 40-8681
White Mesa Mill, Utah
License Condition 20

Dear Mr. Hall:

License Condition 20 deals with surety arrangements for the reclamation and decommissioning of the White Mesa Mill. This letter will provide the calculations to update the surety bond for the calendar year 1988.

The December 1987 value of the 1967 dollar is \$0.289 while the 1988 value is \$0.277. The surety figure for 1987 was \$4,576,985. The inflated figure would then be:

$$\$4,576,985 * (0.289/0.277) = \$4,775,266$$

Umetco has placed the first layer of final cover in Cell 2 and wishes to reduce the required bond accordingly. The surety amount for 1987 was based on an average value of \$1.18 per cubic yard for all dirt work. Umetco has placed 80,000 cubic yards on Cell 2. Therefore the bonded amount should be:

$$\$4,775,266 - (1.18 * 80,000) = \$4,680,866$$

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PDR ADOCK 04008681
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LOG	Dec-89-1
Remittor	
Check No.	3322
Amount	4150
Pay Category	2A
Type of Fee	And
Date of Fee	11/9/89
Date of Payment	11/4/89
Date of Completion	mesa
By	

DESIGNATED ORIGINAL

Certified By Mary C. Hood

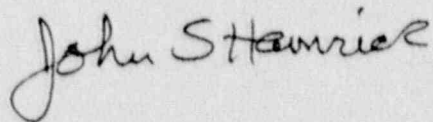
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90-0033

A copy of the updated surety instrument for the amount of \$4,680,866 and a copy of Publication No. 400, Uniform Customs and Practice for Documentary Credits, 1983 Revision will be provided by Umetco's Grand Junction Office.

If I can answer any questions that you may have, please feel free to contact me.

Sincerely yours,

A handwritten signature in cursive script that reads "John S. Hamrick". The signature is written in dark ink and is positioned above the typed name.

John S. Hamrick
Site Environmental Coordinator