

04008681310R
Umetco Minerals Corporation



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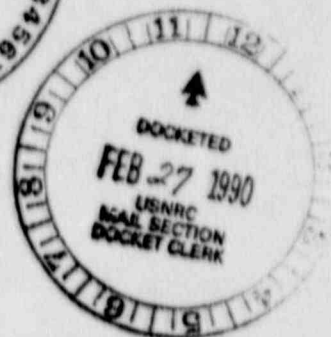
40-8681

RETURN ORIGINAL TO PDR, HQ.

February 13, 1990

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

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



Dear Mr. Hall:

License condition 20 requires annual updates to the financial surety arrangement along with supporting documentation for proposed changes. Attached is documentation for Umetco's proposed surety amount of \$4,797,014. This has been discussed in general with Mr. Paul Maschaud of your staff. When this amount is approved, Umetco will provide the U.S. NRC within 90 days the appropriate documentation of the financial instrument.

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

Sincerely yours,

John S. Hamrick
Site Environmental Coordinator

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Add Info
90-0332

The update for calendar year 1988 called for a amount of \$4,680,866. This amount was the result of inflating the amount agreed upon by license condition 20 of \$4,576,985 and subtracting 80,000 cubic yards of material @ \$1.180 per cubic yard placed as the first layer of final cover on Cell 2. The inflation rate, based on the value of the 1967 dollar = \$1.00, was determined as $\$0.289/\$0.277 = 1.043$.

Umetco has placed an additional 81,200 cubic yards of material on Cell 2 as the first layer of final cover. The March 19, 1986 reclamation plan currently approved by the NRC uses a value of \$1,180 per cubic yard as the cost to place tailings cell cover (Section 3.1 Haul Costs). The surety amount is then calculated as follows:

$$\$4,680,866 \times (.277/.265) - 81,200 \times \$1.180 = \$4,797,014$$

Attachment 1 shows in the fourth column, "Cell #2 Cover", the total cubic yards placed in Cell 2 by the end of 1989 (80,000 + 81,200).

Attachment 1

