



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION IV  
URANIUM RECOVERY FIELD OFFICE  
BOX 25325  
DENVER, COLORADO 80225

Docket No. 40-8681  
SUA-1358, Amendment No. 32

MAY 21 1993

Umetco Minerals Corporation  
White Mesa Uranium Mill  
ATTN: S. L. Schierman, Radiation  
Protection Officer  
Post Office Box 669  
Blanding, Utah 84511

Dear Mr. Schierman:

The NRC has completed a review of your annual surety update as submitted in your letter dated February 23, 1993. Your proposal to increase the surety amount by 3 percent to account for the effects of inflation is appropriate. Since no other changes are necessary, the revised surety amount of \$5,635,180 is acceptable.

Therefore, in accordance with Title 10 of the Code of Federal Regulations, Part 40, Source Material License SUA-672 is hereby amended by revising License Condition No. 20 to read as follows:

20. The licensee shall maintain an NRC-approved financial surety arrangement, consistent with 10 CFR 40, Appendix A, Criteria 9 and 10, adequate to cover the estimated costs, if accomplished by a third party, for decommissioning and decontamination of the mill and mill site, for reclamation of any tailings or waste disposal areas, ground-water restoration as warranted and the long-term surveillance fee. Within three months of NRC approval of a revised reclamation/decommissioning plan, the licensee shall submit, for NRC review and approval, a proposed revision to the financial surety arrangement if estimated costs in the newly approved plan exceed the amount covered in the existing financial surety. The revised surety shall then be in effect within 3 months of written NRC approval.

Annual updates to the surety amount, required by 10 CFR 40, Appendix A, Criteria 9 and 10, shall be submitted to the NRC at least 3 months prior to the anniversary date which is designated as June 4 of each year. If the NRC has not approved a proposed revision to the surety coverage 30 days prior to the expiration date of the existing surety arrangement, the licensee shall extend the existing surety arrangement for 1 year. Along with each proposed revision or annual update, the licensee shall submit supporting documentation showing a breakdown of the costs and the basis for the cost estimates with adjustments for inflation, maintenance of a minimum 15 percent contingency fee, changes in engineering plans, activities performed and any other conditions affecting estimated costs

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for site closure. The basis for the cost estimate is the NRC approved reclamation/decommissioning plan or NRC approved revisions to the plan. The attachment to this license, entitled "Recommended Outline for Site Specific Reclamation and Stabilization Cost Estimates" outlines the minimum considerations used by the NRC in the review of site closure estimates. Reclamation/decommissioning plans and annual updates should follow this outline.

Umetco's currently approved surety instrument, Irrevocable Letter of Credit No. S00017012, issued by The Bank of New York in favor of the NRC, shall be continuously maintained in an amount no less than \$5,635,180 for the purpose of complying with 10 CFR 40, Appendix A, Criteria 9 and 10, until a replacement is authorized by the NRC.

[Applicable Amendments: 12, 21, 26, 29, 32]

All other conditions of this license shall remain the same. The issuance of this amendment was discussed in a telephone conversation between yourself and Paul Michaud of this office on May 20, 1993. An environmental review was not performed since this action is categorically excluded under 10 CFR 51.22(c)(10)(i).

Sincerely,

  
Ramon E. Hall  
Director

Enclosure:  
Source Material License SUA-1358

cc:  
R. A. Van Horn, Umetco  
W. W. Bryce, Umetco  
L. Anderson, RCPD, UT