



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

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

JUL 17 1990

URFO:PWM  
Docket No. 40-8681  
SUA-1358, Amendment No. 21  
04008681310R

Umetco Minerals Corporation  
White Mesa Mill  
ATTN: Mr. John Hamrick  
P.O. Box 669  
Blanding, Utah 84511

Dear Mr. Hamrick:

The NRC has completed a review of your annual surety update contained in your submittals dated February 13, 1990, and June 25, 1990. Your response to our June 5, 1990, letter is acceptable, and the revised bond amount addresses all our prior concerns. As discussed between yourself and Mr. Paul Michaud of my staff on July 13, 1990, your calculations added \$465,000 for the Criterion 10 long-term surveillance fee which was already included in the existing bond amount. The revised surety amount should thus be \$5,004,337.

Therefore, pursuant to Title 10, Code of Federal Regulations, Part 40, Source Material License SUA-1358 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 (3) 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 three (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 three (3) months prior to the anniversary date designated in this condition. 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 one year.

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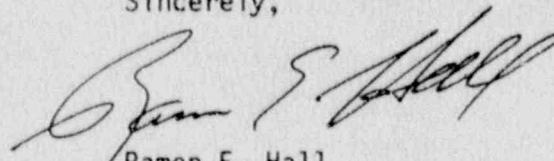
Along with each proposed revision or annual update, the licensee shall submit supporting documentation showing a breakdown of the costs and the basis for the cost estimates with adjustments for inflation, maintenance of a minimum 15 percent contingency fee, changes in engineering plans, activities performed and any other conditions affecting estimated costs for site closure. The licensee shall also provide the NRC with all surety related correspondence submitted to the State, a copy of the State's surety review and the final approved surety arrangement, if applicable. The licensee shall also ensure that the surety, where authorized to be held by the State, expressly identifies the NRC portion of the surety and covers the decommissioning and decontamination of the mill and mill site, reclamation of the tailings and waste disposal areas, soil and water sample analyses to confirm decontamination, ground water restoration as warranted and the transfer of the long-term surveillance fee to the U.S. General Treasury. 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 Irving Trust Company, New York, in favor of the NRC, shall be continuously maintained in an amount no less than \$5,004,337 for the purpose of complying with 10 CFR 40, Appendix A, Criteria 9 and 10, until a replacement is authorized by the NRC. For the purposes of NRC's annual review, Umetco's anniversary date is designated as June 4 of each successive year.

All other conditions of this license shall remain the same. The license is being reissued to incorporate the above modification.

The issuance of this amendment was discussed and agreed to in a telephone conversation between yourself and Mr. Paul Michaud of my staff on July 13, 1990.

Sincerely,



Ramon E. Hall  
Director

Enclosure:  
Source Material License SUA-1358

Case Closed: 04008681310R