



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

SEP 19 1990

URFO:DLJ
Docket No. 40-8905
040089051300

MEMORANDUM FOR: Docket File No. 40-8905

FROM: D. L. Jacoby
Project Manager

SUBJECT: TELEPHONE DISCUSSION WITH QUIVIRA MINING COMPANY
REGARDING THE ISSUANCE OF AN AMENDMENT WITH AN APPROVED
RECLAMATION PLAN AND SURETY AMOUNT

On September 14, 1990, Quivira Mining Company was contacted by the URFO office to discuss the issuance of an amendment to Source Material License SUA-1473. The amendment would approve a reclamation plan submitted by the licensee with significant exceptions and an approved surety amount. Quivira was represented by Marvin Freeman, Vice President, Rio Algom Mining Corp., and Bill Ferdinand, Manager. Larry Yantell, Acting Director of URFO and Ed Hawkins, Deputy Director of URFO, led the conversation with select members of their technical staff participating.

Quivira was requested to agree to the issuance of the amendment with a surety amount of \$26,900,000. As this amount was significantly different than their proposed amount of \$13,000,000, Quivira was not prepared to agree to the issuance of the amendment. The sixteen exceptions to their proposed reclamation plan were discussed item-by-item, and each item's impact to the surety amount was identified. Quivira took exception to several of the assumptions that had been made to establish an acceptable surety amount. The major differences are in the estimate of the thickness of the raion barrier calculation, the proposed QA/QC program, and the reclamation scheme for Ponds 9-21. Major differences in cost estimates were identified and discussed, including the inflation factors used to bring the older calculations up to 1990 dollars, costs of reclaiming Ponds 9-21, inclusion of State taxes, and differences in labor rates.

PM:URFO
DJacobylv
09/19/90

DD:URFO *EDH*
EHawkins
09/19/90

D:URFO:RIV
REHall
09/19/90

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PDR ADOCK 04008905
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Quivira requested that we meet to further discuss the amendment. A meeting was scheduled for the morning of September 20, 1990.

D. V. Jacoby
D. V. Jacoby
Project Manager

bcc:
PDR/DCS
URFO r/f
ABBeach, RIV
LLO Branch, LLWM
DJacoby
PGarcia
RCPD, NM