



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
URANIUM RECOVERY FIELD OFFICE
BOX 26326
DENVER, COLORADO 80226

NOV 21 1990

URFO: PWM
Docket No. 40-8786
SUA-1400, Amendment No. 14
04008786410E

MEMORANDUM FOR: Docket File No. 40-8786
FROM: Paul W. Michaud, Project Manager
SUBJECT: ANNUAL REVIEW OF URANIUM RESOURCES, INC. (URI) R&D ISL SURETY

The licensee submitted their annual surety update on May 17, 1990, as required by License Condition No. 16. The licensee's cost estimate for site closure was \$28,833.50. This amount did not include adequate costs for building decontamination, transportation, radiological surveys, revegetation, project management, or contingencies. However, the licensee's request to maintain a \$50,000 bond is sufficient to cover these additional costs, particularly in light of the fact that nearly all site closure activities have been completed since this surety update submittal. The licensee intends to request termination of the license in the near future, and maintenance of the \$50,000 bond will provide a sufficient level of assurance that activities necessary for site closure will be completed.

The staff therefore recommends that Source Material License SUA-1400 be amended by revising License Condition No. 16 to read as follows:

- 16. The licensee shall maintain an NRC-approved financial surety arrangement, consistent with 10 CFR 40, Appendix A, Criterion 9, adequate to cover the estimated costs, if accomplished by a third party, for completion of the NRC-approved site closure plan including: above ground decommissioning and decontamination, offsite disposal of radioactive solid process or evaporation pond residues, and ground water restoration as warranted.

Annual updates to the surety amount, required by 10 CFR 40, Appendix A, Criterion 9, shall be provided to the NRC at least three (3) months prior to the anniversary of the effective date of

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GRKonwinski
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DD: URFO
EFHawkins
11/20/90

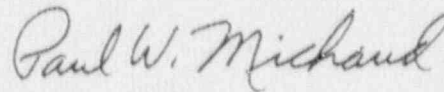
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the existing surety instrument. If the NRC has not approved a proposed revision to the surety thirty (30) days prior to the expiration of the existing surety instrument, the licensee shall extend the existing arrangement, prior to expiration, for one (1) year. Along with each proposed revision or annual update, the licensee shall submit supporting documentation showing a breakdown of costs and the basis for the cost estimates with adjustments for inflation, changes in engineering plans, activities completed, maintenance of a minimum fifteen (15) percent contingency, and any other conditions affecting the estimated costs for site closure. The licensee shall also provide the NRC with copies of surety related correspondence with the State, a copy of the State's surety review, and the final approved surety arrangement.

Uranium Resources, Incorporated's currently approved surety, Bond No. 175F6671 issued by the Travelers Indemnity Company in favor of the State of Wyoming, shall be continuously maintained in an amount no less than \$50,000 for the purpose of complying with 10 CFR 40, Appendix A, Criterion 9, until a replacement is authorized by both the State and the NRC.



Paul W. Michaud
Project Manager

Case Closed: 04008786410E

bcc:

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LFMB
PDR/DCS
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ABBeach, RIV
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