

DEC 18 1990

URFO:PWM
Docket No. 40-8943
SUA-1534, Amendment No. 7
04008943190E

Ferrett Exploration Company of Nebraska, Inc.
ATTN: Mr. Stephen P. Collings, President
216 Sixteenth Street Mall, Suite 810
Denver, Colorado 80202

Dear Mr. Collings:

The NRC has completed the annual review of your surety amount in accordance with License Condition No. 27 and your submittal dated October 2, 1990. The current surety, in the form of a \$5,000,000 irrevocable standby letter of credit held by the State of Nebraska, is considered acceptable for compliance with 10 CFR 40, Appendix A, Criterion 9. An amendment to Source Material License SUA-1534 is being issued to properly note the existing surety instrument and to make editorial corrections to License Condition No. 27.

Therefore, pursuant to Title 10 of the Code of Federal Regulations, Part 40, Source Material License SUA-1534 is hereby amended by revising License Condition No. 27 to read as follows:

- 27. 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, the cost of offsite disposal of radioactive solid process or evaporation pond residues, soil and water analyses and ground-water restoration as warranted. Within three (3) months of NRC approval of a revised closure plan and cost estimate, the licensee shall submit for NRC review and approval, a proposed revision to the financial surety arrangement if estimated costs in the newly approved site closure 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 Part 40, Appendix A, Criterion 9, shall be provided to the NRC at least three (3) months prior to the anniversary date, which is designated as January 1 of each year. If the NRC has not approved a proposed revision 30 days prior to the expiration date of the existing surety arrangement, the licensee shall extend the existing arrangement, prior to expiration, for 1 year. Along with each proposed revision

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or annual update, the licensee shall submit supporting documentation showing a breakdown of the costs and basis for the cost estimates with adjustments for inflation, maintenance of a minimum 15 percent contingency, changes in engineering plans, activities performed and any other conditions affecting estimated costs for site closure. Since the NRC has authorized the surety instrument to be held by the State of Nebraska, the licensee shall also provide the NRC with copies of surety related correspondence submitted to the State, a copy of the State's surety review and the final approved surety arrangement. The licensee must also ensure that the NRC related portion of the surety is expressly identified and covers the above ground decommissioning and decontamination, the cost of the offsite disposal, soil and water sample analyses and ground-water restoration associated with the site. The basis for the site closure cost estimate is the NRC-approved site closure plan or NRC-approved revisions to the plan. Annual updates and revised site closure plan cost estimates should follow the format in the attachment to this license entitled, "Recommended Outline for Site Specific Reclamation and Stabilization Cost Estimates."

Ferrett Exploration Company of Nebraska's currently approved surety instrument, Irrevocable Standby Letter of Credit No. SB 9614 issued by Norwest Bank Minnesota, N.A. in favor of the State of Nebraska, shall be maintained in an amount no less than \$5,000,000 for the purpose of complying with 10 CFR 40, Appendix A, Criterion 9, until a replacement is authorized by both the State of Nebraska and the NRC.

All other conditions of this license remain the same. The issuance of this amendment was discussed in a telephone conversation between yourself and Paul Michaud of my staff on December 4, 1990.

Sincerely,

RS
Ramon E. Hall
Director

Enclosure:
Source Material License SUA-1534

bcc:

Docket File No. 40-8943
LFMB
PDR/DCS
URFO r/f
ABBeach, RIV
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