

JAN 15 1991

URFO:PWM
Docket No. 40-4492
SUA-667, Amendment No. 43
04004192780E

American Nuclear Corporation
ATTN: Mr. John C. Ferguson, President
Gas Hills Project
P.O. Box 2713
Casper, Wyoming 82602

Dear Mr. Ferguson:

The NRC has completed a review of your December 7, 1990, request to amend Source Material License SUA-667. Your request to redefine the scope of work in reclamation phases III-A and IV is acceptable. With the completion of the newly defined phase III-A work, a reduction in the surety amount is appropriate. In addition, an adjustment was made to the revised Phase IV cost and to the Criterion 10 long-term surveillance fee. Your revised Phase IV cost did not reflect the inflation factor applied to the reclamation costs in our February 6, 1990, review. Therefore, the \$669,962 figure furnished in your December 7, 1990, letter was increased by three percent to \$690,060 to reflect a January, 1990 dollar value as do the other costs. The current (December 1990) Criterion 10 long-term surveillance fee is \$494,000. This results in a cost estimate for the remaining reclamation work of :

<u>Phase</u>	<u>Description</u>	<u>Cost</u>
III-B	Tailings Pond No. 2 Construction	\$1,193,826
IV	Tailings Pond No. 1 Construction	690,060
V	Tailings Pond No. 2 Topsoil/Revegetation	305,479
VI	Tailings Pond No. 1 Topsoil/Revegetation	89,127
VII	Borrow/Drainage Topsoil/Revegetation	119,995
VIII	General Site Work/Fencing	<u>31,315</u>
	Subtotal	\$2,429,802
	WY DEQ Revegetation Retainer	20,100
	Criterion 10 Long-Term Surveillance Fee	<u>494,000</u>
	TOTAL	\$2,943,902

PM:URFO
 PWRichaud/db
 1/14/91
 9101290305 910115
 PDR ADDCK 04004492
 C PDR

DD:URFO
 EFHawkins
 1/14/91

D:URFO:RIV
 REHall
 1/15/91

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JAN 15 1991

Therefore pursuant to Title 10 of the Code of Federal Regulations, Part 40, Source Material License SUA-667 is hereby amended by modifying 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, Criteria 9 and 10, adequate to cover the estimated costs, if accomplished by a third party, for reclamation of all tailings and 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 which is designated as July 25 of each 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 for site closure. The licensee shall also provide the NRC with all surety related correspondence submitted to the State of Wyoming, a copy of the State's surety review and the final approved surety arrangement. The licensee shall also ensure that the surety, where authorized to be held by the State of Wyoming, expressly identifies the NRC portion of the surety and covers the reclamation of the tailings and waste disposal areas, 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.

ANC's currently approved surety instrument, held by the State of Wyoming, shall be continuously maintained in an amount no less than \$2,943,902 for the purpose of complying with 10 CFR 40, Appendix A, Criteria 9 and 10, until a replacement is authorized by both the State and the NRC. 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 the site closure estimates. Reclamation/decommissioning plans and annual updates should follow this outline.

The issuance of this amendment was agreed to in a telephone conversation between Mr. William Salisbury of ANC and Mr. Paul Michaud of my staff on

January 11, 1991. We have also taken this opportunity to make some editorial revisions to License Condition No. 16.

Sincerely,

Original Signed By:

R. E. HALL

Ramon E. Hall
Director

Enclosure:
Source Material License SUA-667

bcc:

Docket File No. 40-4492
LFMB
PDR/DCS
URFO r/f
ABBeach, RIV
LLO Branch, LLWM
OB: IMNS:NMSS
PVMichaud
JHaes, RCPD, WY
WDEQ (2)
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