

PDR



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

JAN 15 1991

URFO:PWM
Docket No. 40-4492
SUA-667, Amendment No. 43
04004492780E

MEMORANDUM FOR: Docket File 40-4492
FROM: Paul W. Michaud, Project Manager
SUBJECT: AMERICAN NUCLEAR CORPORATION'S (ANC) REQUEST TO REVISE
RECLAMATION PHASES AND ADJUST SURETY AMOUNT

By letter dated December 7, 1990, the licensee requested a change in the scope of reclamation work defined in Phases III-A and IV. In addition, the licensee requested a reduction in the required surety amount to reflect completed work activities.

The requested revisions to the scope of work under Phases III-A and IV are the result of ANC having stockpiled 101,200 CY of topsoil during the completion of Phase III-A activities. This was 40,011 CY more than previously defined for Phase III-A. The licensee, therefore, requested that Phase III-A costs be modified to reflect the actual work performed and that Phase IV costs be revised to reflect a reduced amount of topsoil which will be required to be salvaged during that activity. The staff verified with the State of Wyoming, Department of Environmental Quality, that ANC had indeed stockpiled 101,200 CY of topsoil during Phase III-A, leaving an additional 31,178 CY to be salvaged during Phase IV. The staff agrees that the reclamation scope of work and cost estimate should be revised to reflect these actual conditions, as defined in the licensee's December 7, 1990, submittal.

In reviewing the associated reclamation cost revisions, the staff noted that the revised Phase IV cost in the licensee's December 7, 1990, submittal did not reflect the inflation factor of 3 percent which was applied to the reclamation costs in the NRC's February 6, 1990, annual survey review. The licensee's figure of \$669,962 was increased by 3 percent to \$690,060 in order to reflect the same valuation as the other reclamation costs.

Finally, the current (December 1990) Criterion 10, Long-Term Surveillance Fee was included in calculating the revised surety amount as follows:

PM:	DD:	D:
PWMichaud/db	EFHawkins	REHall
1/14/91	1/14/91	1/15/91

<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

The staff therefore recommends that Source Material License SUA-667 be amended by revising License Condition No. 16 to read as follows:

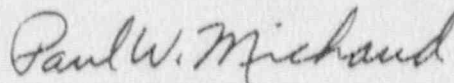
16. The licensee shall maintain an NRC-approved financial surety arrangement, consistent with 10 CFR 40, Appendix A, Criteria 9 and 10, adequate to cover the estimated costs, if accomplished by a third party, for reclamation of all tailings and waste disposal areas, ground water restoration was warranted 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

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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.



Paul W. Michaud
Project Manager

Case Closed: 04004492780E

bcc:

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LFMB
PDR/DCS
URFO r/f
ABBeach, RIV
LLG Branch, LLWM
PMichaud
JHaes, RCPD, WY
WDEQ (2)
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