

APR 24 1992

URFO:PWM
Docket No. 40-6659
SUA-551, Amendment No. 34
04006659960E

Petrotomics Company
ATTN: Ron Juday, Supervisor
P.O. Box 8509
Shirley Basin, Wyoming 83615

Dear Mr. Juday:

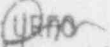
The NRC has completed a review of your annual surety update as contained in your submittals dated February 20 and March 9, 1992. With no changes in the reclamation plan or cost estimate, your proposal to increase the surety amount by \$160,733 to account for the effects of inflation is acceptable. Within 60 days of the date of this letter, please provide documentation of an increase in the total surety amount to \$5,031,435.


During our review, it was found that a Standby Trust apparently does not exist, though one is referred to in both letters of credit. A Standby Trust is intended to receive any funds paid under the terms of the surety arrangement. Because Federal law requires the NRC to deposit all assets received into the U.S. General Treasury, a Standby Trust is required to ensure such funds would be applied directly to the reclamation activities. Additional information and recommended wording are included in Section 3.6 and Appendix E of Enclosure 2, which is entitled, "Technical Position on Financial Assurances for Reclamation, Decommissioning, and Long-Term Surveillance and Control of Uranium Recovery Facilities." It is recommended that you establish a Standby Trust arrangement as soon as practicable. Please review this information and propose a course of action within 60 days.


Pursuant to Title 10 of the Code of Federal Regulations, Part 40, Source Material License SUA-551 is hereby amended by revising License Condition No. 23 to read as follows:

23. 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 decommissioning and decontamination of the mill and mill site, for reclamation of any tailings or waste disposal areas, ground water restoration as warranted and the long-term surveillance fee.

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 3 months prior

PM: 
PMichaud/lv
04/23/92

PM: URFO 
CMiller-Corbett
04/23/92

DD: URFO 
EHawkins
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REHall
04/24/92

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to the anniversary date which is designated as June 1 of each year. If the NRC has not approved a proposed revision to the surety coverage 30 days prior to the expiration date of the existing surety arrangement, the licensee shall extend the existing surety arrangement for 1 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 basis for the cost estimate is the NRC approved reclamation/decommissioning plan or NRC approved revisions to the plan. The attachment entitled, "Recommended Outline for Site Specific Reclamation and Stabilization Cost Estimates," outlines the minimum considerations used by the NRC in the review of site closure cost estimates. Reclamation/decommissioning plans and annual updates should follow this outline.

Petrotomics' currently approved surety instruments, Irrevocable Standby Letters of Credit Number S3001217 and S3002200, issued by First Interstate Bank of California, shall be continuously maintained in an amount no less than \$5,031,435 for the purpose of complying with 10 CFR 40, Appendix A, Criteria 9 and 10, until a replacement is authorized by the NRC.

[Applicable Amendments: 3, 8, 10, 13, 24, 27, 32, 34]

All other conditions of this license shall remain the same. The license is being reissued to incorporate the above changes. You will note that an amendment tracking notation has been added to your license to assist in identifying modified license conditions. Please review the notations and notify us if you have any questions or corrections. The issuance of this amendment was discussed in a telephone conversation between yourself and Paul Michaud of my staff on April 21, 1992.

Sincerely,

Original Signed By:

R. E. HALL

Ramon E. Hall
Director

Enclosures:

1. Source Material License SUA-551
2. Technical Position on Financial Assurances

cc:

J. Hough, RCPD, WY
WDEQ

Petrotomics Company

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bcc:
LFMB
PDR/DCS
URFO r/f
LJCallan, RIV
LLUR Branch, LLWM
OB: IMNS: NMSS
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