



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 10, 1998

40-8905

Mr. William Paul Goranson, Manager
Radiation Safety, Regulatory Compliance
& Licensing
Quivira Mining Company
6305 Waterford Bldg., Suite 325
Oklahoma City, OK 73118

SUBJECT: 1998 ANNUAL SURETY UPDATE, AMENDMENT NO. 41 TO LICENSE SUA-1473,
AMBROSIA LAKE, NEW MEXICO, SITE

Dear Mr. Goranson:

The U.S. Nuclear Regulatory Commission staff has completed its review of Quivira Mining Company's (QMC's) 1998 annual surety update for the Ambrosia Lake uranium mill and tailings site near Grants, New Mexico, as submitted in your letter dated June 29, 1998. The staff's review found the proposed increase of \$154,000 to the 1997 surety, as an adjustment for inflation, with no reductions for reclamation work completed, to be acceptable. The new surety amount is therefore \$11,127,000.

As discussed between yourself and Ken Hooks, the surety amount for the groundwater corrective action program is a single line item in the cost buildup of your June 29, 1998, letter. It appears this amount is based on an analysis submitted to the NRC by QMC letter dated June 1, 1989, and subsequently adjusted for inflation each year. While the NRC staff has determined that this amount is acceptable for the 1998 surety, the staff will require a new and detailed cost estimate for the groundwater corrective action program at the Ambrosia Lake site as part of the 1999 surety update.

Pursuant to Title 10 of the Code of Federal Regulations (10 CFR) Part 40, Source Material License SUA-1473 is hereby amended by revising License Condition No. 22 to reflect the new surety amount of \$11,127,000. All other conditions of the license shall remain the same. The license is being reissued to incorporate the above modification (enclosure).

An environmental report is not required from QMC since the amendment does not meet the criteria of 10 CFR 51.60(b)(2). An environmental review was not performed by the NRC staff, since this action is categorically excluded under 10 CFR 51.22(c)(10).

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If you have any questions concerning this letter or the enclosure, please contact Ken Hooks, the NRC Project Manager for the Ambrosia Lake site, at (301) 415-7777.

Sincerely,

[Signed by]

Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Docket No. 40-8905
License No. SUA-1473
Amendment No. 41

Enclosure: As stated

cc: Terry Fletcher, Quivira Ambrosia Lake
Peter Luthiger, Quivira Ambrosia Lake
Russel Edge, DOE Grand Junction

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NAME	KHooks	WFF	DGillen		JHolonich				
DATE	09/08/98	H	09/9/98	H	09/10/98				

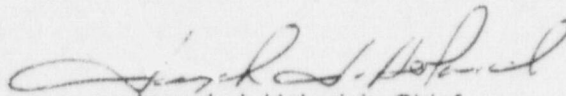
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W. Goranson

-2-

If you have any questions concerning this letter or the enclosure, please contact Ken Hooks, the NRC Project Manager for the Ambrosia Lake site, at (301) 415-7777.

Sincerely,

A handwritten signature in dark ink, appearing to read "Joseph J. Holonich", is written above the typed name.

Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Docket No. 40-8905
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