

UNITED NUCLEAR CORPORATION



A **UNC RESOURCES** Company

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Telephone 703/821-7900

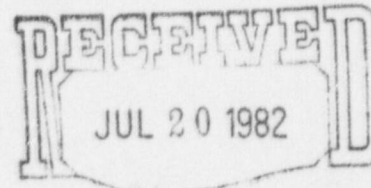
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EID Dir's Office

July 15, 1982

Mr. Russell Rhodes, Director
Environmental Improvement Division
State of New Mexico
Post Office Box 968
Santa Fe, New Mexico 87504-0968



RADIATION PROTECTION BUREAU

Re: UNC Churchrock, New Mexico, License NM-UNC-ML-17 --
Application for Approval of Surety Arrangement

Dear Mr. Rhodes:

United Nuclear Corporation filed with the Environmental Improvement Division ("EID") on January 7, 1981 its Application for Approval of Surety Arrangement under Section 3-315 of the Radiation Protection Regulations of the New Mexico Environmental Improvement Board.

With that application, UNC filed related material as required under 3-315.E. UNC most recently filed a verification and current balance sheet of UNC Resources, Inc. as of March 31, 1982.

As disclosed in the application for surety, UNC Resources, Inc.'s accounting year changed from a fiscal year basis to a calendar year, as of December 31, 1981. Accordingly, UNC is submitting the following material:

1. Certificate of Peter T. Garahan, Treasurer, UNC Resources, Inc. certifying that:
 - (a) The net worth and cash flow of UNC Resources, Inc., exceeds the surety amount; and
 - (b) That an analysis of UNC Resources, Inc.'s financial position as reflected in such balance sheet of December 31, 1981 shows sufficient current assets may be liquidated to provide at least the stabilization sum (\$2,491,750) without applicant becoming insolvent.
2. A letter from Peat, Marwick, Mitchell & Co., an independent certified public accounting firm, stating that based upon an examination of the balance sheet



Mr. Russell Rhodes
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and income statement: current assets of UNC Resources, Inc., exceeds the current liabilities of applicant by at least two and one-half times the amount of the financial surety (\$2,491,750), calculating the assumed stabilization amount as a current liability for the purpose of the calculation.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Gilbert Markbein", is written over the typed name.

Gilbert Markbein
Assistant Treasurer

GM/ps
Encl.

Certificate

In accordance with Section 3-315.E.2(B)(2) and (3) of the Radiation Protection Regulations of the New Mexico Environmental Improvement Board, I hereby state that UNC Resources at December 31, 1981:

- (1) has sufficient net worth to exceed the amount of financial assurance determined to be necessary to meet the stabilization requirements; and
- (2) has sufficient cash flow or lines of credit available to provide the funds necessary to meet the stabilization requirements without becoming insolvent.

Dated July 16, 1982

Peter T. Garahan
Peter T. Garahan, Treasurer
UNC Resources, Inc.



Peat, Marwick, Mitchell & Co.

Certified Public Accountants

1990 K Street, N.W.
Washington, D.C. 20006

Board of Directors
UNC Resources, Inc.:

We have examined the consolidated balance sheet of UNC Resources, Inc. and subsidiaries as of December 31, 1981, and the related statements of earnings (loss), shareholders equity, and changes in financial position for the year then ended, and have issued our report thereon dated February 22, 1982. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

It is our understanding that Section 3-315 of the Amendments to the Radiation Regulations adopted by the New Mexico Environmental Improvement Board on November 9, 1981, provides that in the absence of a bond, as a means of demonstrating financial responsibility for stabilization of uranium mill tailings a mill operator can demonstrate that at the end of each fiscal year it had current assets in excess of current liabilities in an amount in excess of two and one half times the number of acres devoted to tailings disposal, multiplied by \$25,000. In computing current liabilities for the purposes of this calculation, the assumed stabilization amount of \$2,491,750 has been included as a current liability. We have been informed that the Company has 99.67 acres devoted to tailings disposal in the state of New Mexico. The resulting computation is as follows:

- . $\$25,000 \times 99.67 = \$2,491,750$
- . $\$2,491,750 \times 2.5 = \$6,229,375$

Based on the information in the preceding paragraph, as of December 31, 1981, the Company's current assets exceeded current liabilities by an amount in excess of the result of the calculation set forth above.

Peat, Marwick, Mitchell & Co.

July 14, 1982