SEQUOYAH FUELS
A GENERAL ATOMICS COMPANY

RE: 0825-N

June 25, 2008

CERTIFIED MAIL – Return Receipt Requested
Receipt # 7005 3110 0004 4931 1454

U.S. Nuclear Regulatory Commission
ATTN: Mr. Ken Kalman, Project Manager
FSME/DWMEP/DURLD
Two White Flint North
11545 Rockville Pike
Rockville, MD 20852-2738

Subject: Sequoyah Fuels Corporation, Docket - 40-8027
Final Reclamation Plan

Dear Mr. Kalman:

Attached you will find page change revisions to Chapter 7.0 – Decommissioning and Reclamation Cost and Chapter 8.0 - Schedule of Sequoyah Fuels Corporation's (SFC) Reclamation Plan dated November, 2007. These changes reflect updates to SFC's cost estimate for direct costs to complete decommissioning and SFC's completion schedule. As indicated to you in a previous letter, Table 7-2 – Cash Flow Schedule has been deleted.

If you have any questions, please do not hesitate to call me at 918-489-5511, extension 226.

Sincerely,

John H. Ellis

John H. Ellis
President, Sequoyah Fuels Corporation

Enclosures

XC: Al Gutterman – Morgan, Lewis & Bockius
Brad Carson – Cherokee Nation
Rita Ware – U.S. EPA, Region 6
J. Trevor Hammons – Office of Oklahoma Attorney General

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7.0 DECOMMISSIONING AND RECLAMATION COST

The costs associated with SFC's proposed decommissioning approach, as presented in Table 7-1, only reflect the direct costs for performing the various decommissioning activities. Costs that are included as direct costs include those associated with engineering, design and construction; excavation and handling of material; backfilling excavated areas; demolition of buildings, structures and equipment; sludge an sediment treatment; cell filling; cell closure; wastewater handling and treatment; monitoring during remediation; and post-remediation monitoring, maintenance and security. As of June, 2008, the direct costs are estimated to total $ 29.1 million. Please note that contractor mobilization/demobilization and engineering/construction management costs have been removed as "Activities" and have been added to the costs of the other "Activities" as appropriate.

General and Administrative costs such as SFC overhead, license and permit fees, taxes, routine environmental monitoring costs, etc., are not included in Table 7-1. As of June, 2008 the General and Administrative Costs for the period required to complete decommissioning of the Sequoyah Facility are estimated to be $9.6 million.

The funding plan and assurance for the funds for decommissioning has been addressed by the Settlement Agreement between the NRC and SFC that was approved by the Commission on October 8, 1997 (CLI 97-13).

Table 7-1 Estimated Remaining Direct Costs for Proposed Decommissioning Approach

Activity	Cost ($,000)	Notes
1. Complete Reclamation Plan and Supporting Documents	400	Includes Responses to RAIs and Revisions to the Reclamation Plan, Groundwater Corrective Action Plan and Preparation of an Alternate Concentration Limit Application
2. NRC Fees	750	Fees charged by the NRC for review of SFC's Reclamation documents, preparation of an EIS, final approval of the various plans and termination survey review.
3. Monitoring Well Removal	62	Abandon and plug 25 wells
4. Disposal Cell Construction and Closure		
4.1 Disposal Cell Detailed Engineering	60	Estimated Cost to complete construction level drawings for disposal cell
4.2 Disposal Cell Cost	3685	Cost to construct and close the Disposal Cell
5. Off-Site Disposal of Raffinate and Miscellaneous U-Bearing Sludges	3029	Includes transportation to the White Mesa Mill (shipping cost for 11,578tons @ $212/ton) plus $140k loading costs and $400k for dewatering remaining raff sludge heel and misc sludges
6. Other Residual Materials, Removal, Treatment and On-Site Disposal	3344	Excavation, treatment and placement of other residual materials in the cell (1,280,000 cu-ft @$2.09/cu-ft)
7. Soil Cleanup		Appendix I, Table 10-1, Item 200 Total adjusted for remediation of 434.000 cf of soil (>100 pCiU/g) (includes cost of cell placement). Unit costs are in 2007 $ from Table 10-1 of M-K Report in Appendix I.
7.1	1,015	Soils > 100/570 pCiU/gm 811,685 cf @ $ 1.25 = $1,014,625
7.2	56	CaF_2 Basin Clay Liners 30,000 cf @ $ 1.88 = $ 56,400
7.3	94	Solid Waste Burials 51,100 cf @ $ 1.83 = $ 93,513
7.4	363	Pond 1 Spoils Pile 437,000 cf @ $ 0.83 = $362,710
7.5	129	Interim Soils Storage Cell 154,887 cf @ $ 0.83 = $128,556
7.6	188	Clarifier Clay Liners 100,000 cf @ $ 1.88 = $188,000
7.7	75	Drummed LLW 5,000 cf @ 15.06 = $ 75,300
7.8	38	Sanitary Lagoon Soil 20,000 cf @ $ 1.88 = $ 37,600
7.9	94	Emergency Basin Soil 50,000 cf @ $1.88 = $94,000
7.10	56	North Ditch Soil 30,000 cf @ $ 1.88 = $ 56,400
7.11	2	Crushed Drums 2,000 cf @ $ 0.83 = $ 1,660
Total Soil Excavation, Remediation and Disposal	2,110	
8. Building and Equip. Demolition	4,310	Estimate based on Old Cotter Mill demolition experience

9. Asbestos Abatement	507	Estimate to remove remaining abestos materials from plant
10. Termination Survey	469	2,000 soil samples @ $100 each plus gamma walkover survey – 500 hours @ $50/hr plus $150k assessment/NRC confirmation
12. Site Restoration	686	Cost to grade, place topsoil and re-vegetate excavations and other affected areas. Based on dozing approximately 1,455,000 cf of dike material into impoundments at $0.101 per cf, grading 83 acres @ $500/acre, applying 6 inches of topsoil to 124 acres (2,701,000 cf at $0.11/cf) and seeding 124 acres at $512/acre.
12. Fertilizer Pond Closure	750	Cost to close fertilizer storage ponds 3E, 3W and 5 based on 2003-2005 cost to close Ponds 4 and 6
13. Groundwater Remediation	1150	$100,000 per year for 7 years plus $100,000 for recovery systems installation plus $350,000 for intercept trench expansion. Includes treatment of stormwater and waste water as necessary.
14. Post-Closure Monitoring Program	81	Post-closure monitoring includes the cost of purging, sampling and analysis for 25 wells for an additional sampling event for the first three to five years after cell closure, cell settlement monitoring, radon emission measurement and cell cover inspection and repair.
15. SFC Staff	6400	Personnel costs associated with supervision and monitoring to assure compliance with SFC's NRC license, including the approved Reclamation Plan
16. Long-Term Site Control Fund	1,349	Assumes an escrow fund at 2% interest to generate funds for the annual long-term maintenance costs of $26,974. Costs include annual sampling of 25 monitoring wells and analysis for uranium, nitrate and arsenic, preparation of an annual report, NRC inspection fees, mowing 6 times per year, and $500 annually for general maintenance. Sampling Costs Well Purging 80 hours @ $35 = $2,800.00 Well Sampling 80 hours @ $35 = $2,800.00 $5600.00 Analytical Costs Uranium $20.00 Arsenic $25.00 Nitrate $15.00 Prep Fee $20.00 Total $80.00 per well x 25 Wells = $2,000.00 Annual Report 80 hours @ $90 = $7,200.00 Copying Costs $ 200.00 = $7,400.00 NRC Inspection Fees Travel Time 8 hours Inspection Time 4 hours Report Preparation 40 hours Total 52 hours @ $156.00 = $8,112.00 Mowing 16 hours per mowing x 6 mowings per year = $3,360.00 General Maintenance $500.00 per year = $500.00 Total = $26,974.00
Total Cost	$29,142	

8.0 SCHEDULE

The preliminary schedule for reclamation of the SFC Facility is shown in figure 8-1. The schedule incorporates the major elements of this proposed reclamation plan, and shows the estimated time required to complete these activities. Changes to the schedule will be made to accommodate the contractor(s) selected, seasonal weather impacts and SFC cash flow. The start date is set as the NRC approval date for the reclamation plan.

Figure 8-1
Preliminary Reclamation Schedule

ID	Task Name	Start	Finish
1	NRC Approval of Reclamation Plan	8/29/2008	8/29/2008
2	**Construct Disposal Cell**	**8/29/2008**	**9/30/2013**
3	Complete Detail Design	8/29/2008	12/31/2008
4	Phase I Area Preparation	8/29/2008	4/30/2009
5	Phase I Base Construction	5/1/2009	9/1/2009
6	Phase II Area Preparation	9/1/2009	4/1/2010
7	Phase II Base Construction	4/1/2010	8/30/2010
8	Phase III Area Preparation	8/30/2010	8/30/2011
9	Phase III Base Construction	8/30/2011	12/30/2011
10	Cell Capping / Closure	4/30/2013	9/30/2013
11	CaF2 Treatment	5/1/2009	9/1/2009
12	CaF2 Disposal	9/1/2009	2/28/2012
13	Pond 2 Closure	9/1/2009	6/30/2010
14	Building & Equipment Demolition	6/1/2011	12/28/2012
15	Sludge Disposal	9/1/2009	12/28/2012
16	Soil Excavation	9/1/2009	12/28/2012
17	Post-Closure Monitoring	9/30/2013	6/1/2015
18	Site Restoration	3/1/2013	10/30/2013
19	Termination Survey	1/1/2013	6/28/2013
20	Groundwater Corrective Action	8/29/2008	1/1/2015
21	License Termination	6/1/2015	6/1/2015