

August 25, 2000

Mr. Roy Cellan  
Homestake Mining Company  
P.O. Box 98  
Grants, NM 87020

SUBJECT: 2000 ANNUAL SURETY UPDATE

The U S. Nuclear Regulatory Commission (NRC) staff has completed its review of Homestake Mining Company's (HMC's) April 11, 2000, letter which presented the cost summary to complete reclamation of its Grants Mill site, and HMC's letter of June 8, 2000, requesting that the surety amount for reclamation of the Grants Mill site continue at \$24,000,000. The staff has also evaluated the financial data supporting HMC's parent company guarantee provided by its letters dated June 21, 2000 and July 26, 2000.

The staff has determined that the amount of the surety is adequate to complete site reclamation; site reclamation work accomplished in the last year is more than sufficient to account for inflation in the same period. The staff has also determined that HMC's parent company guarantee meets the NRC's financial assurance requirements and is acceptable. Therefore, no amendment to the license is required, and License Condition No. 28 will continue in effect, as approved by Amendment No. 26, dated May 21, 1997.

If you have any questions regarding this letter or the NRC staff review, please contact the NRC Project Manager for the HMC site, Ken Hooks, at (301) 415-7777 or by e-mail to KRH1@nrc.gov.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Sincerely,

**/RA/**

Philip Ting, Chief  
Fuel Cycle Licensing Branch  
Division of Fuel Cycle Safety & Safeguards  
Office of Nuclear Material Safety and Safeguards

Docket No.: 40-8903  
License No.: SUA-1471

cc: Donna Bergman-Tabbert, DOE Grand Junction  
Maura Hanning, NMED, Santa Fe  
Petra Sanchez, EPA Region 6, Dallas

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**Case Closed: L51939**

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