

December 4, 2001

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

SUBJECT: HOMESTAKE GRANTS MILL 2001 ANNUAL SURETY UPDATE

The U. S. Nuclear Regulatory Commission (NRC) staff has completed its review of Homestake Mining Company's (HMC's) March 30, 2001, letter which presented the cost summary to complete reclamation of its Grants Mill site. The HMC letter stated no adjustment to the \$24,000,000 surety amount for reclamation of the Grants Mill site was required. The staff has also evaluated the financial data supporting HMC's parent company guarantee provided by its letters dated July 6, 2001, and November 15, 2001.

The staff has determined that the amount of the surety appears adequate to complete site reclamation. The staff has also determined that HMC's parent company guarantee meets the NRC's financial assurance requirements and is acceptable. Therefore, the surety will continue to be \$24,000,000 and no amendment to the license is required. 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 email at 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/

Melvyn N. Leach, Chief
Fuel Cycle Licensing Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

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

cc: Arthur Kleinrath, DOE Grand Junction
Maura Hanning, NMED, Santa Fe
George Schuman, NMED, Santa Fe
Mark Purcell, EPA Region 6, Dallas

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Docket No.: 40-8903
License No.: SUA-1471
cc: Arthur Kleinrath, DOE Grand Junction
Maura Hanning, NMED, Santa Fe
George Schuman, NMED, Santa Fe
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Case Closed: L52352

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