

October 29, 2003

Mr. Al Cox
Manager - Grants & Southwest U.S.
Homestake Mining Co.
6719-D Academy Rd. NE
Albuquerque, NM 87109

SUBJECT: HOMESTAKE MINING COMPANY AMENDMENT 35 - ACCEPTANCE OF THE
PROPOSED FINANCIAL SURETY AMOUNT FOR 2003 (TAC L52524)

Dear Mr. Cox:

The U.S. Nuclear Regulatory Commission (NRC) staff has reviewed your March 28, 2003, cost estimates and your May 28, 2003, financial surety instrument documentation. The new cost estimate is \$35,295,705. The financial instrument documentation was reviewed under the NRC guidance entitled, *Technical Position on Financial Assurances for Reclamation, Decommissioning, and Long-Term Surveillance and Control of Uranium Recovery Facilities*. The parent company guarantee and supporting documentation has been found to be acceptable.

The reclamation cost estimates were reviewed using the NRC guidance entitled, *Standard Review Plan for the Reclamation Plan for Mill Tailings Sites Under Title II of the Uranium Mill Tailings Radiation Control Act of 1978, NUREG-1620, Rev. 1*. Unit and energy costs were found to be within the tolerance of industry standards for the year. The proper contingency fee per NUREG-1620, Appendix C, was used and the proper Long-Term Surveillance Fee was used utilizing the correct consumer price index of 181.7 (January 2003), based on when the estimate was written. Therefore, the estimates have been found to be acceptable. The license has been amended accordingly and is enclosed. An environmental review was not performed for this action since it is an administrative change and is categorically excluded per 10 CFR Part 51.22(c)(10).

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/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions regarding this matter, please contact Bill von Till, the Project Manager, at (301) 415-6251 or by e-mail at rwv@nrc.gov.

Sincerely,

/RA/

Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket 40-8903
License SUA-1471

Enclosure: License Amendment 35

cc: M. Purcell, USEPA
D. Mayerson, State of NM
J. Sanders, State of NM

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Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
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cc: M. Purcell, USEPA
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Close TAC # L52524

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*see previous concurrence

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