

September 14, 2004

MEMORANDUM TO: Gary S. Janosko, Chief  
Fuel Cycle Facilities Branch, NMSS/FCSS

FROM: Andrew Persinko, Chief **/RA/**  
Special Projects Section  
Decommissioning Directorate, NMSS/DWMEP

SUBJECT: REVIEW OF HOMESTAKE MINING COMPANY 2004 UPDATE OF  
PARENT COMPANY GUARANTEE

By letter dated June 28, 2004, Homestake Mining Company submitted updates to the parent company guarantee (PCG) provided by Barrick Gold Corporation as financial assurance for its Grants, NM facility. The updated financial test was based on \$33,000,000 in decommissioning costs.

By letter dated March 29, 2004, the licensee submitted a decommissioning cost estimate in the amount of \$33,421,971. Appendix A to 10 CFR Part 40 requires the licensee to provide financial assurance that is at least sufficient to cover at all times the cost of decommissioning, reclamation, and long-term surveillance and control. Because the PCG does not cover the full amount of the cost estimate, it is not acceptable.

Docket No.: 04008903  
License No.: SUA-1471

Contact: Thomas L. Fredrichs, NMSS/DCED/DWMEP  
(301) 415-5971

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\*See previous concurrence

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DATE	9/14/04		9 /14/04			

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