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Date: 12/2/04 1:16PM
Subject: PLM surety RAls - Docket : 40-2259

CC: Betty Garrett; internet:dwichers@cogema-mining.com; Robert Nelson

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Subject: PLM surety RAIs
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SUBJECT: PATHFINDER MINES CORPORATION - REQUEST FOR ADDITIONAL
INFORMATION CONCERNING THE ANNUAL SURETY AMOUNT FOR THE
LUCKY MC MILL TAILINGS SITE (TAC NO. LU0065)

Dear Mr. Hardgrove:

The annual surety estimate (material quantity and unit cost data) dated September 15, 2004, from Pathfinder Mines Corporation (PMC) has been reviewed by U.S. Nuclear Regulatory Commission (NRC) staff. The staff found several items that need further explanation or detail before the surety evaluation can be completed, as listed below.

1. PMC states that wells will be abandoned by filling them with bentonite to an elevation of above the current water level and then filling the balance of the well with soil. However, PMC's current well permit (excerpts were faxed to NRC on October 22, 2004) do not state that soil is a permissible backfill material. PMC should amend its well abandonment procedures to include the use of bentonite in the entire well, except for the top 2-3 feet, which will be sealed using a cement cap. PMC should also revise the cost estimate to reflect these changes.
2. The hourly cost listed for the tractor/backhoe at \$17/hour seems low, unless you are assuming 24 hours (\$408) per day. PMC referenced a cost guide with an update for fuel cost, but more information is needed to justify this rate. A few places have the same tractor renting for \$280/day. PMC should provide a recent billing or a local vendor cost quote for renting a tractor/backhoe.
3. The cost estimate summary shows 10 percent of construction costs for contractor profit and mobilization/demobilization. Also, 5 percent of the contractor cost is listed for construction management. Other site activities have no indicated management cost. PMC should follow cost estimating guidance in Appendix C of NUREG-1620 to justify that all project management and miscellaneous costs have been included in the surety estimate.

So that staff can complete the evaluation in a timely manner, please provide your response, or a schedule for your response, within 30 days. If you have any questions, please contact me at (301) 415-6606 or by e-mail at esb@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/reading-rm/adams.html>.

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