

December 28, 2004

Mr. Peter Luthiger
Manager, Radiation Safety
and Environmental Affairs
Rio Algom Mining, LLC
P.O. Box 218
Grants, NM 87020

SUBJECT: STATUS OF ANNUAL SURETY UPDATE FOR THE RIO ALGOM AMBROSIA
LAKE FACILITY (TAC LU0055)

Dear Mr. Luthiger:

Under letter dated June 24, 2004, Rio Algom Mining, LLC (Rio Algom) requested an amendment to Source Materials License, SUA-1473 to update License Condition 22 with a revised surety amount. In a response letter to Rio Algom dated July 28, 2004, the U.S. Nuclear Regulatory Commission (NRC) asked that Rio Algom provide supplemental and backup data for the annual surety update. The NRC has not yet received the requested information and, as a result, the NRC is closing the Technical Assignment Control Number (TAC LU0055) associated with the review of this action.

Rio Algom is required under the regulations in 10 CFR Part 40 to provide annual updates for financial assurance for the reclamation of mill sites licensed by the NRC. Therefore, within 10 days of the receipt of this letter, please respond with the additional information requested in our letter of July 28, 2004, or provide a date by which you will do so.

Should you have any questions regarding this matter, please feel free to contact the NRC project manager, Jill Caverly at 301-415-6699 or via email at jsc1@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC's Rules of Practice, a copy of this letter will be available electronically 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>.

Please note that on October 25, 2004, the NRC suspended public access to ADAMS, and initiated an additional security review of publicly available documents to ensure that potentially sensitive information is removed from the ADAMS database accessible through the NRC's web site. Interested members of the public may obtain copies of the referenced documents for review and/or copying by contacting the Public Document Room pending resumption of public access to ADAMS. The NRC Public Document Room is located at NRC Headquarters in Rockville, MD, and can be contacted at (800) 397-4209 or (301) 415-4737 or pdr@nrc.gov."

Sincerely,

/RA/

Robert A. Nelson, Chief
Uranium Processing Section
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-8905
License No.: SUA-1473

cc: Bruce Law, Rio Algom

P. Luthiger

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Robert A. Nelson, Chief
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Docket No.: 40-8905
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