

ExxonMobil
Refining & Supply Company
3225 Gallows Road
Fairfax, Virginia 22037

VIA OVERNIGHT MAIL

October 7, 2005

ExxonMobil
Refining & Supply

U.S. Nuclear Regulatory Commission
Division of Fuel Cycle Safety and Safeguards
Fuel Cycle Facilities Branch
11545 Rockville Pike
Rockville, MD 20852-2738
Attention: Gary S. Janosko,

RE: Docket No. 40-8102
Radioactive Material License No. SUA-1139
Highland Reclamation Project
Revised 2005-2006 Surety Update

Dear Mr. Janosko:

Condition 23 of License No. SUA-1139 requires the Licensee to supply an annual update of the tailings basin surety amount for U.S. Nuclear Regulatory Commission (NRC) approval.

The current amount of the surety is \$1,250,000 and the surety is in the form of a Performance Bond and Standby Trust agreement that was approved by the NRC in its letter dated March 11, 2002. Exxon Mobil wishes to keep the amount of the financial surety at \$1,250,000. Since reclamation activities are nearing completion and fewer unanticipated activities are expected, Exxon Mobil has reduced the percentage of contingency in its surety calculation to 15% (the minimum permitted in the License). Attachment I provides detailed information on remaining reclamation costs.

Please contact me at (703) 846-3272 if you have any questions regarding this request to maintain the existing financial surety amount.

Sincerely,



Dan E. Burnham
Project Manager

/DEB
Attachment

c: C. L. Strachan -- MFG
File -- Financial Surety

**ATTACHMENT I
HIGHLAND RECLAMATION PROJECT
FOR PERIOD OF NOVEMBER 2005 - NOVEMBER 2006**

I. FACILITY DECOMMISSIONING - COMPLETE

The Highland Mill is now possessed by Power Resources Inc. under their NRC license. Their bond is in place.

The tailings disposal pipeline and pump house facilities at the tailings basin were decommissioned by 1985.

II. TAILINGS BASIN AREA GROUNDWATER RESTORATION AND WELL PLUGGING - \$134k SURETY REMAINING

A. Groundwater restoration complete pursuant to issuance of Alternate Concentration Limits in Amendment No. 49 to the Material License.

B. Verification Sample Analyses - \$104k

A total of twenty-five wells are monitored quarterly but four of these are dry. Monitoring costs for two years are estimated at \$104k, based on annual labor costs of \$34.0k/year for taking the samples and \$18.0k/year for analyzing the samples. Analytical costs are based on all parameters required by License Condition No. 33 and the current contract for analytical services from a commercial laboratory.

C. Well Plugging - \$30k

Plug 25 wells @ \$1200. All are wells with 4" or 6" casing. Plugging will be in accordance with license commitments.

III. INTERIM STABILIZATION DURING DRYING OUT PHASE - COMPLETE

IV. TAILINGS IMPOUNDMENT AREA RECLAMATION - \$88k SURETY REMAINING

	<u>\$k</u>
Contour Tailings - COMPLETE	-
Strip Topsoil - COMPLETE	-
Slope Dam - COMPLETE	-
Build PMF Channel - COMPLETE	-
Slope South Side/Set Back - COMPLETE	-
Cover 155 Acres Tailings 3-1/2 Feet - COMPLETE	-
Topsoil 359 Acres - COMPLETE	-
Revegetate 359 Acres Cover Crop - COMPLETE	-
Permanent Vegetation - COMPLETE	-
Rock Mulch Dam Crest - COMPLETE	-
Rock Mulch 20 Acres - COMPLETE	-
Topsoil 11 KBCY - COMPLETE	-
Riprap Low Flow Channels - COMPLETE	-
Geotechnical/Surveying Oversight - COMPLETE	-
Fencing - 5 miles @ \$2.00/ft.	53
Repairs and Maintenance	<u>35</u>
TOTAL	88

V. DECOMMISSION SEEPAGE MITIGATION SYSTEM AND RECLAMATION OF WICK AREA (SITE OF EVAPORATION PONDS) - COMPLETE

	<u>\$k</u>
Remove Equipment - COMPLETE	-
Reclaim Generator Site - COMPLETE	-
Bring Wick Area to Grade and Cover - COMPLETE	-
Channel Rock - COMPLETE	-
Testing and Oversight - COMPLETE	-
Revegetate 40 acres wick area and 10 acres topsoil piles (Piles #21 and #25) - COMPLETE	-
Riprap gullies on diversion channel - COMPLETE	-
TOTAL	-

VI. RADIOLOGICAL SURVEYS AND SOIL SAMPLING - COMPLETE

VII. RECLAIM TAILINGS BASIN TRAIL \$2k SURETY REMAINING

	<u>k\$</u>
Decontamination and Contouring - COMPLETE	-
Topsoiling 8 Acres - COMPLETE	-
Revegetate 8 Acres Cover Crop - COMPLETE	-
Revegetate 8 Acres Permanent Vegetation - COMPLETE	-
Reseed 8 Acres Permanent Vegetation @ \$250/Acre	2
TOTAL	2

VIII. PROJECT MANAGEMENT AND MISCELLANEOUS - \$200k SURETY REMAINING

IX. SUB-TOTAL \$424k

X. 15% CONTINGENCY \$64k

XI. LONG-TERM SURVEILLANCE AND CONTROL FEE - \$753k SURETY REMAINING

\$250k in 1978\$ escalates to \$753k in 2005\$

XII. TOTAL \$1,241k

XIII. CURRENT APPROVED SURETY \$1,250k

XIV. RECOMMENDED APPROVAL \$1,250k

XV. ACTUAL SURETY IN PLACE \$1,250k