

October 26, 2005

Dan E. Burnham, Project Manager
ExxonMobil Refining and Supply Company
3225 Gallows Road
Fairfax, Virginia 22037

SUBJECT: SURETY REVIEW FOR EXXONMOBIL'S HIGHLAND RECLAMATION
PROJECT (TAC LU0107)

Dear Mr. Burnham:

I am responding to your letter dated October 7, 2005, concerning the surety for the ExxonMobil Refining and Supply Company's (ExxonMobil) Highland Reclamation Project. You requested that the current surety of \$1,250,000 be maintained because reclamation activities are nearing completion and fewer unanticipated activities are expected. ExxonMobil's surety estimate specifically addresses: groundwater restoration/well plugging; tailings impoundment area reclamation; reclamation of tailings basin trail; project management; and long-term surveillance. A contingency of 15 percent has also been added as a line item. The original \$250,000 long-term surveillance and control fee has been adjusted to \$753,000 due to inflation. Based on our review of the revised cost estimate, we have concluded that ExxonMobil has appropriately estimated the cost of completing the remaining work and has adequately addressed the effects of inflation on the long-term surveillance fee. Therefore, we agree that the current surety amount of \$1,250,000 in License Condition 23 of Source Material License SUA-1139 for ExxonMobil's Highland uranium mill is acceptable.

An environmental review was not performed because this action is categorically excluded under 10 CFR 51.22 (c)(10)(i).

If you have any questions regarding this action, please contact me at (301) 415-6629 or by e-mail at mhf1@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders," 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>.

Sincerely,

/RA/

Myron H. Fliegel, Project Manager
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No. 40-8102
License No. SUA-1139

cc: G. Beach, DEQ, WY
R. Chancellor, DEQ, WY
M. Moxley, DEQ, WY

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Sincerely,

/RA/

Myron H. Fliegel, Project Manager
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
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Docket No. 40-8102
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TAC No. LU0107 (closed)

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