

December 12, 2005

Mr. T.W. Hardgrove
Pathfinder Mines Corporation
935 Pendell Boulevard
P.O. Box 730
Mills, WY 82644

SUBJECT: ACKNOWLEDGMENT OF RECEIPT OF ANNUAL SURETY UPDATE,
PATHFINDER MINES CORPORATION, LUCKY MC SITE, SOURCE
MATERIALS LICENSE SUA-672 (TAC LU0111)

Dear Mr. Hardgrove:

By letter dated October 24, 2005, Pathfinder Mines Corporation submitted to the U.S. Nuclear Regulatory Commission (NRC) staff a revised surety estimate for its Lucky Mc site in accordance with License Condition (LC) 27 of Source Materials License SUA-672. This document has been received, and it is currently being reviewed for regulatory compliance. We plan to complete our review by December 2005, at which time we will notify you of its approval or any additional information that will be needed to effect its approval.

At this point in time, we have one preliminary comment regarding the long term surveillance amount. According to our calculations, that amount should be \$753,067, based on the consumer price index (CPI) values from June 1978 and August 2005. Please confirm that the long term surveillance amount is correct. If you have any questions, please contact me at 301-415-7182 or via e-mail to sjc7@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/NRC/reading-rm/adams.html>.

Sincerely,

\RA\

Stephen J. Cohen, Project Manager
Uranium Processing Section
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-2259
License No.: SUA-672

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