

February 8, 2006

Ms. Donna L. Wichers, General Manager
COGEMA Mining, Inc.
935 Pendell Boulevard
P.O. Box 730
Mills, WY 82644

SUBJECT: COGEMA MINING, INC., SOURCE MATERIALS LICENSE SUA-1341,
AMENDMENT NO. 11 - ANNUAL SURETY ESTIMATE ADJUSTMENT
(TAC LU0109)

Dear Ms. Wichers:

By letter dated October 4, 2005, COGEMA Mining, Inc. (COGEMA) submitted for the U.S. Nuclear Regulatory Commission (NRC) staff's review and approval, its revised surety estimate for its Irigaray and Christensen Ranch *In-Situ* Leach (ISL) projects. This revised surety estimate is in the amount of \$10,352,659, which represents a \$16,579 decrease from the previous estimate. The NRC staff reviewed the surety update estimate per Criteria 9 and 10 of 10 CFR Part 40, Appendix A, which require the licensee to supply sufficient information to the NRC staff to verify that the amount provided by the financial assurance will permit the completion of all decontamination and reclamation of the site. Additionally, the surety estimate must be based on the completion of all decommissioning and reclamation activities by a third party, and must be updated annually. The NRC staff also utilized the guidance contained in NUREG-1569, "Standard Review Plan for In-Situ Leach Uranium Extraction License Applications," to complete this review.

The NRC staff's review of the supporting assumptions and spreadsheets provided in the submittal indicated that COGEMA reduced project management and eliminated project design costs that would be duplicative, considering the advanced stage of restoration. Contractor's costs were also escalated by 5.9 percent based on the Consumer Price Index - All Urban Consumers for August 2003 and July 2005.

Based on staff's review, COGEMA has provided adequate justification for the current surety estimate. Therefore, the surety amount in License Condition 9.5 has been revised, and License Amendment No. 11 is enclosed. This licensing action meets the categorical exclusion provision for surety changes in 10 CFR Part 51.22(c)(10)(I). Therefore, this amendment does not require either an environmental assessment or an environmental report from the licensee.

If you have any questions regarding this letter, or the enclosure, please contact the Project Manager for your facility, Stephen J. Cohen by phone at (301) 415-7182 or by e-mail at sjc7@nrc.gov.

D. Wichers

2

In accordance with 10 CFR 2.390 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 Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/reading-rm/adams.html>.

Sincerely,

/RA/

Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-8502
License No.: SUA-1341

Enclosure: Amendment No. 11

D. Wichers

2

February 8, 2006

In accordance with 10 CFR 2.390 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 Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/reading-rm/adams.html>.

Sincerely,

/RA/

Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-8502
License No.: SUA-1341

Enclosure: Amendment No. 11

DISTRIBUTION:

FCFB r/f

J. Whitten RIV

Moriarty/IMNS

ML060320181

OFC	FCFB		FCFB		FCFB		FCFB	
NAME	SCohen		BGarrett		WvonTill		GJanosko	
DATE	02/06/06		02/03/06		02/07/06		02/08/06	

OFFICIAL RECORD COPY