

August 22, 2011

Mr. Thomas E. Gieck  
UMETCO Minerals Corporation  
P.O. Box 1029  
Grand Junction, CO 81502

SUBJECT: LICENSE AMENDMENT – UMETCO MINERALS CORPORATION SURETY  
UPDATE FOR THE GAS HILLS URANIUM MILL TAILINGS SITES, LICENSE  
NO. SUA-648

Dear Mr. Gieck:

By letter dated June 13, 2011 [Agencywide Documents Access and Management System (ADAMS) Accession No ML111670115], Umetco Minerals Corporation (Umetco) submitted the annual surety estimate for 2011 for its Gas Hills uranium mill tailings site in Fremont and Natrona counties, Wyoming, to the U.S. Nuclear Regulatory Commission (NRC) as required by License Condition 55 of Umetco's radioactive materials license (SUA-648). By letter dated July 13, 2011 (ML11199A048), and as supplemented by letter dated July 18, 2011 (ML11201A304), Umetco revised its cost estimate to include the costs associated with its approach for completing erosion protection enhancements to the tailings site.

The NRC staff has completed its review of Umetco's surety estimate and finds that it is acceptable and includes the cost estimate for completing the erosion protection enhancements for the Gas Hills site. Based on this review, the NRC staff has approved the revised surety amount of \$4,878,787. The NRC staff's evaluation is summarized in the enclosed Technical Evaluation Report. License Condition 55 has been revised to reflect this revised surety amount and is also enclosed.

An environmental assessment was not performed for this action as it is categorically excluded pursuant to 10 CFR 51.22 (c)(10)(i)

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

T. Gieck

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If you have any questions concerning the NRC staff comments, please contact Dominick Orlando at 301-415-6749 or by email at [Dominick.orlando@nrc.gov](mailto:Dominick.orlando@nrc.gov)

Sincerely,

**/RA/**

Keith McConnell, Deputy Director  
Decommissioning and Uranium Recovery  
Licensing Directorate  
Division of Waste Management  
and Environmental Protection  
Office of Federal and State Materials  
and Environmental Management Programs

License No.: SUA-648  
Docket No.: 040-0299

Enclosures:

1. Technical Evaluation Report
2. License Amendment No. 65

T. Gieck

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If you have any questions concerning the NRC staff comments, please contact Dominick Orlando at 301-415-6749 or by email at [Dominick.orlando@nrc.gov](mailto:Dominick.orlando@nrc.gov)

Sincerely,

Keith McConnell, Deputy Director  
Decommissioning and Uranium Recovery  
Licensing Directorate  
Division of Waste Management  
and Environmental Protection  
Office of Federal and State Materials  
and Environmental Management Programs

License No.: SUA-648

Docket No.: 040-0299

Enclosures:

1. Technical Evaluation Report
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**ML112210257**

<b>OFC</b>	DURLD	DURLD	DURLD	DURLD	DURLD
<b>NAME</b>	DOrlando	RPrzygodzki	TRRowe	LChang	KMcConnell
<b>DATE</b>	8/9/11	8/10/11	8/11/11	8/22/11	8/22/11

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