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August 6, 2012

US Nuclear Regulatory Commission
Attn: Mr. Douglas Mandeville
11545 Rockville Pike
Two White Flint North, Mailstop T8 F5
Rockville, MD 20852-2738

RE: License SUA-1548, Docket No. 40-8964
2012-13 Revised Surety Estimate Update for Gas Hills ISR Project

Dear Mr. Mandeville:

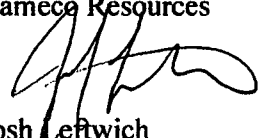
Pursuant to License Condition 9.5, Power Resources, Inc. d/b/a Cameco Resources (Cameco) is herein providing (2) copies of the proposed 2012-13 reclamation surety bond estimate for the Gas Hills ISR Project. The proposed surety estimate of \$2,907,000 covers the cost of existing building demolition and disposal, well & hole abandonment, and other miscellaneous surface reclamation. This surety estimate has been submitted to the Wyoming Department of Environmental Quality (WDEQ) in an annual report dated August 7, 2012.

Cameco received three line item comments from NRC that pertain to all licensed sites. Cameco has addressed these line items within the surety estimate. Cameco has not included groundwater restoration costs for the Gas Hills Satellite Facility as it is still within the developmental stage.

If you have any questions or concerns regarding this estimate please feel free to contact Jeanie Wolford at 307-333-7644 or by email at Jeanie_wolford@cameco.com.

Sincerely,

Cameco Resources



Josh Leftwich
Director of SHEQ

Enclosures:

Appendix A: 2012-13 GH Reclamation Surety Bond Estimate

JL:jmw

H:\Gas Hills 1\2.0 Regulatory\2.2 Nuclear Regulatory Commission\2012\2012-08-06 NRC GH Surety.docx

Appendix B

2012-2013 RECLAMATION SURETY BOND ESTIMATE

WDEQ Permit No. 687 Annual Report / NRC SUA-1548

Gas Hills ISR Project - Cameco Resources

Total Reclamation Cost Estimate

PART I.	BUILDING DEMOLITION AND DISPOSAL COST	\$1,545,062
PART II.	WELLS + HOLES ABANDONMENT COST - REV	\$423,834
PART III.	MISCELLANEOUS SURFACE RECLAMATION COST	\$356,691
SUBTOTAL RECLAMATION COST ESTIMATE		\$2,325,587
ADMINISTRATIVE, OVERHEAD, AND CONTINGENCY ITEMS (25%) ^a		\$581,397
TOTAL		\$2,906,984
TOTAL CALCULATED SURETY (IN 2011 DOLLARS^a), rounded up		\$2,907,000

^a No salvage value realized for buildings, process equipment, electrical equipment, motors, rolling stock, etc.

^a Based on WDEQ-LQD Guideline No. 12 (11/2011) Section II(B)(12)(b)

^a Based on WDEQ-LQD Guideline No. 12 (11/2011) Section II(B)(12)(except b) and SUA-1548 License Condition 9.5

^a Total estimate represents both the WDEQ and NRC-related portions of the surety

2012-2013 RECLAMATION SURETY BOND ESTIMATE
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Part I. Building Demolition and Disposal

	Carol Shop	Tire Shop	Change House	Air Comp Building	Water Treat Building	BaCl Building
I. Demolition Costs						
A. Building						
Volume of Building , CF (l x w x h, G/L 12 App. K)	1,977,851	54,560	18,600	6,240	6,600	6,600
Demolition Unit Cost (G/L 12, App.K, \$ / CF) ^a	\$0.270	\$0.270	\$0.270	\$0.270	\$0.270	\$0.270
Subtotal Building Demolition Costs	\$534,020	\$14,731	\$5,022	\$1,685	\$1,782	\$1,782
B. Concrete Floor						
Area of Concrete Floor, SF	56,985	2,480	1,860	520	600	864
Demolition Unit Cost (G/L 12, App.K, \$ / SF)	\$5.43	\$5.43	\$5.43	\$5.43	\$5.43	\$5.43
Subtotal Concrete Floor Demolition Costs	\$309,429	\$13,466	\$10,100	\$2,824	\$3,258	\$4,692
C. Concrete Footing						
Length of Concrete Footing , ft	1,221	204	184	48	60	48
Demolition Unit Cost (G/L 12, App.K, \$ / lf.)	\$19.85	\$19.85	\$19.85	\$19.85	\$19.85	\$19.85
Subtotal Concrete Footing Demolition Costs	\$24,237	\$4,049	\$3,652	\$953	\$1,191	\$953
Demolition Unit Cost per Building	\$867,686	\$32,246	\$18,774	\$5,462	\$6,231	\$7,427
Subtotal Building Demolition						\$937,826
II. Disposal Costs						
A. Building						
Landfill Disposal Cost (G/L 12, App. K)						
Building Construction & Demolition Debris Waste volume, CY Assume (8" thick walls x length wall 1 x height wall 1) + (Vol. all walls, exterior + interior walls)	2,711	181	128	40	41	41
Cost to Haul to Landfill:						
Total trips @ 12 CY each	226	15	11	3	3	3
Dump truck (G/L 12 App. J)	\$77.62	\$77.62	\$77.62	\$77.62	\$77.62	\$77.62
Transportation (2 trips per 12-hr day)	\$105,218	\$7,007	\$4,979	\$1,557	\$1,609	\$1,609
Disposal Unit Cost (G/L 12, App.K, \$/ton)	\$82.00	\$82.00	\$82.00	\$82.00	\$82.00	\$82.00
Convert C&D waste volume to tons (0.24 tons / CY) ^b	651	43	31	10	10	10
Subtotal Building Disposal	\$158,573	\$10,559	\$7,504	\$2,347	\$2,425	\$2,425
B. Concrete Floor						
Area of Concrete Floor, SF	56,985	2,480	1,860	520	600	864
Average Thickness of Concrete Floor , ft	0.833	0.5	0.5	0.5	0.5	0.5
Volume of Concrete Floor, CF	47,469	1,240	930	260	300	432
Volume of Concrete Floor, CY	1,758	46	34	10	11	16
Tons of Concrete (assume 150 lbs / CF) ^c	3,560	93	70	20	23	32
Cost to Haul to Landfill:						
Total trips @ 12 CY each	147	4	3	1	1	1
Dump truck (G/L 12 App. J)	\$77.62	\$77.62	\$77.62	\$77.62	\$77.62	\$77.62
Transportation (2 trips per 12-hr day)	\$68,232	\$1,782	\$1,337	\$374	\$431	\$621
Disposal Unit Cost (G/L 12, App.K, \$/ton)	\$82.00	\$82.00	\$82.00	\$82.00	\$82.00	\$82.00
Subtotal Concrete Floor Disposal	\$360,163	\$9,408	\$7,056	\$1,973	\$2,276	\$3,278
C. Concrete Footing						
Length of Concrete Footing , ft	1,221	204	184	92	97	94
Average Depth of Concrete Footing , ft	4	3	3	3	3	3
Average Width of Concrete Footing , ft	0.75	0.75	0.75	0.75	0.75	0.75
Volume of Concrete Footing, CF	3663	459	414	207	218.25	211.5
Volume of Concrete Footing, CY	136	17	15	8	8	8
Tons of Concrete (assume 150 lbs / CF) ^c	275	34	31	16	16	16
Cost to Haul to Landfill:						
Total trips @ 12 CY each	11	1	1	1	1	1
Dump truck (G/L 12 App. J)	\$77.62	\$77.62	\$77.62	\$77.62	\$77.62	\$77.62
Transportation (2 trips per 12-hr day)	\$5,265	\$660	\$595	\$298	\$314	\$304
Disposal Unit Cost (G/L 12, App.K, \$/ton)	\$82.00	\$82.00	\$82.00	\$82.00	\$82.00	\$82.00
Subtotal Concrete Footing Disposal Costs	\$27,793	\$3,483	\$3,141	\$1,571	\$1,656	\$1,605
Subtotal Disposal Costs per Building	\$546,529	\$23,450	\$17,701	\$5,891	\$6,357	\$7,308
Total Building Disposal						\$607,236

2012-2013 RECLAMATION SURETY BOND ESTIMATE
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Gas Hills ISR Project - Cameco Resources

Part I. Building Demolition and Disposal

	Carol Shop	Tire Shop	Change House	Air Comp Building	Water Treat Building	BaCl Building
SUBTOTAL DEMOLITION + DISPOSAL COSTS PER BUILDING	\$1,414,215	\$55,696	\$36,475	\$11,353	\$12,588	\$14,735
TOTAL BUILDING DEMOLITION + DISPOSAL COSTS						\$1,545,062

a - G/L 12 App. = WDEQ-LQD Guideline No. 12 (11/2011 vers.), Appendix

b - Florida Dept. Environmental Protection: *Converting C&D Debris from Volume to Weight, a Fact Sheet for C&D Debris Facility Operators*

[www.floridacenter.org/publications/C&Dconversion..html]

c - Avallone & Baumeister, eds., 1987: *Marks' Standard Handbook for Mechanical Engineers*, 9th ed., p. 185.

CF - cubic feet

lf. - linear feet

CY - cubic yards

SF - square feet

ft - feet

QTY - quantity

in - inches

Part II. Well & Hole Abandonment				Unit Cost	Units	Est. QTY	Total
I. Monitoring Wells^a							
Site Location ^a				\$10	well	163	\$1,630
Removal of surface steel casing, concrete apron				\$30	well	163	\$4,890
Sealing of wells using High Solids Bentonite Grout ^a	Avg. depth						
	550			\$3.00	linear foot	163	\$268,950
Concrete Cap for well hole, pre-cast				\$10.00	ea	163	\$1,630
Rough site grading				\$50	site	163	\$8,150
Surface Reclamation of Monitor Wells P&A'd 2008				\$50	well	12	\$600
<i>Cost to Haul to Landfill (well protective casings & concrete):</i>							
Well Demolition Debris Waste volume, CY					CY	59	--
Total trips @ 12 CY each					trips	5.0	--
Transporation via Dump truck (G/L 12 App. J), 2 trips/12-hr day				\$77.62	hr	12	\$931
Convert C&D waste volume to tons (0.24 tons / CY) ^b					tons	14.3	
Disposal Unit Cost (G/L 12, App.K)				\$82.00	ton	--	\$1,169
Mobilization				\$5,000.00	Location	\$1	\$5,000
Scarify and Seed Staging Area				\$4,000.00	ac	0.08	\$320
Seed Two-Track Site Access Roads				\$3,000.00	ac	#REF!	#REF!
Subtotal Monitoring Well Abandonment Costs							\$287,951
II. Production Wells^a							
Removal of the top few feet of casing per well				\$15	well	0	\$0
Sealing of wells using High Solids Bentonite Grout ^a	Avg. depth						
	0			\$3.00	lf	0	\$0
Concrete well cap				\$10.00	ea	0	\$0
Subtotal Production Well Abandonment							\$0
III. Water Supply Wells^{a, b}							
Site Location ^a				\$10	well	2	\$20
Removal of the Top Few Feet of Casing				\$30	well	2	\$60
Sealing w/ 20% Solids (min) Bentonite Grout	Avg. depth						
	1600			\$4.00	lf	2	\$12,800
Concrete Well Cap				\$10.00	well	2	\$20
Pull Pump				\$0.40	ft.	2025	\$607.50
Subtotal Water Supply Wells Abandonment							\$13,488
IV. Waste Disposal Well Abandonment							
A. Well Sealing					DDW #1	DDW #2	
Total Depth of Well (feet)					3794	5389	
Sealing cost per foot (in UIC permit)					\$11.91	\$11.91	
Subtotal Plugging Costs per Well (in UIC permit)					\$45,187	\$64,183	
B. Pump Dismantling and Decontamination							
Number of Persons					2	2	
Number of Pumps					2	2	
Pumps/Day					0.5	0.5	
Number of Days					4	4	
\$/Day/Person					\$184.00	\$184.00	
Subtotal Dismantling and Decon Costs per Well					\$1,472.00	\$1,472.00	
C. Tubing String Disposal (NRC-Licensed Facility)							
Length of Tubing String (ft)					3400	5100	
Diameter of Tubing String (inches)					2.875	2.875	

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Volume of Tubing String (ft ³)					79.17181642	118.7577246
Transportation and Disposal Unit Cost (\$/ft ³)					\$7.74	\$7.74
Subtotal Tubing String Disposal Costs per Well					\$613.04	\$919.56
Subtotal Waste Disposal Well Abandonment Costs per Well					\$47,271.58	\$66,574.55
Subtotal Waste Disposal Well Abandonment Costs						\$113,846.13
IV. Exploratory / Delineation Drilling						
1. Plugging, Abandonment, & Surface Reclamation for Proposed Holes						
Site Location			\$10.00	site	0	\$0
Mobilization			\$5,000.00	Location	0	\$0
Final Site Grading and Seeding			\$50.00	site	0	\$0
Concrete Cap			\$10.00	each	0	\$0
Sealing w/ Bentonite Grout			\$4.00	lf.	0	\$0
2009 Holes Previously P&A'd			\$50.00	site	22	\$1,100
2010 Holes Previously P&A'd			\$50.00	site	26	\$1,300
2011 Holes Previously P&A'd			\$150.00	site	37	\$5,550
Drilling Water Pond (48' l by 48' w by 4' d)			\$120.00	hr	5	\$600
Subtotal for Completed Drilling						\$8,550
Total Well & Exploration Hole Abandonment Cost						\$423,834

- a - WDEQ-LQD Guideline No. 12, Appendix L
- b - Site Reclamation included in "Part III MISC SURF REC" table
- c - G/L 12, Appendix Q
- d - area estimate prepared for Gas Hills Drilling Notice of Intent letter to BLM Lander, 4/15/10.

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Part III. Miscellaneous Surface Reclamation		Unit Cost	Units	Est. QTY	Total
I. Carol Shop/Office Area					
A. Topsoil Application					
Topsoil Surface Area			acres	21	
Topsoil Average Depth			feet	0.5	
Topsoil Application (WDEQ Guideline No.12, App.C)	\$1.651		CY	16,940	\$27,968
Assume: level ground, average haul distance =			feet	2,000	
Concrete, asphalt, and building material used to backfill low areas;					
B. Discing/Seeding (WDEQ Guideline No. 12, App. L)					
1 acre (43,560)/Large Site (10,000) sq. ft.=4.36 x \$250	\$1,089		ac	21	\$22,869
Subtotal Carol Shop/Office Area Reclamation					\$50,837
II. Carol Shop Road					
A. Gravel Road Base Removal					
Road Length			miles	5	
Road average width			feet	50	
Width Gravel Road Base			feet	50	
Road Base Average Depth			feet	0.5	
Road Base Volume			CY	24,444	
Gravel Road Base Removal (WDEQ Guideline No.12, App.C)	\$1.090		CY	24,444	\$26,644
Assume: level ground, average haul distance =			feet	1,000	
B. Ripping Overburden with D6¹					
	\$250.00		ac	30	\$7,500
C. Topsoil Application (WDEQ Guideline No.12, App.C)					
Topsoil Surface Area	\$1.274		CY	24,444	\$31,142
Topsoil Depth			SF	1,320,000	
Topsoil Volume			feet	0.5	
Assume: average haul distance =			CY	24,444	
			feet	1,000	
D. Discing/Seeding					
	\$1,089		ac	30	\$32,670
E. Culvert Removal					
Culvert Removal (WDEQ Guideline No.12, App.J)	\$131.45		ea	40	\$5,258
Fill Removal/Drainage Reestablishment	\$500		ea	40	\$20,000
Subtotal Carol Shop Road Reclamation					\$123,215
III. AML Road Reclamation					
A. Gravel Road Base Removal					
Road Length			miles	4.3	
Road average width			feet	66.0	
Road surface area			ac	34.4	
Gravel Road Base Width			feet	66	
Average Road Base Depth			feet	0.5	
Road Base Volume			CY	27,749	
Gravel Road Base Removal (WDEQ Guideline No.12, App.C)	\$1.274		CY	27,749	\$35,353
Assume: level ground, average haul distance =			feet	1000	
B. Other reclamation areas associated with the road					
Topsoil Surface Area			ac	2.4	
Turnaround Area			ac	0.9	
Other reclamation areas			ac	3.3	
C. Ripping Overburden with Dozer					
Overburden Surface Area (acres)			ac	38	
Ripping Overburden with D6 ¹	\$250.00		ac	38	\$9,428

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Part III. Miscellaneous Surface Reclamation		Unit Cost	Units	Est. QTY	Total
D. Topsoil Application (WDEQ Guideline No.12, App.C)		\$1.651	CY	30,419	\$50,222
Topsoil Surface Area			SF	1,642,648	
Topsoil Depth			feet	0.5	
Topsoil Volume			CY	30,419	
Assume: Average haul distance =			feet	1,000	
E. Discing/Seeding		\$1,089	ac	38	\$41,066
F. Culvert Removal					
Culvert Removal (WDEQ Guideline No.12, App.J)		\$131.45	ea	20	\$2,629
Fill Removal/Drainage Reestablishment (\$/each)		\$500	ea	20	\$10,000
Subtotal AML Road Reclamation					\$148,698
IV. Surface Reclamation Water Supply + Waste Disposal Injection Wells					
A. Well Sites (2 supply wells + 2 disposal injection wells)					
Well Sites surface area			SF	261,232	
a. Ripping Overburden with D6 ¹		\$250.00	ac	6	\$1,500
b. Topsoil Application					
Topsoil Surface Area			SF	261,232	
Topsoil Depth			feet	0.5	
Topsoil Volume			CY	4,838	
Topsoil Application (WDEQ Guideline No.12, App.C)		\$1.65	CY	4,838	\$7,987
c. Discing/Seeding Surface		\$1,089	ac	6	\$6,534
Assume:					
Surface grade: Level ground					
Average haul distance (ft)					
B. Access Road Reclamation					
Road Length			feet	2,525	
Road average width			feet	20	
Road surface area			SF	50,500	
a. Gravel Road Base Removal					
Road Base Average Depth			feet	0.33	
Gravel Road Base Removal (WDEQ Guideline No.12, App.C)		\$1.65	CY	617	\$1,019
b. Ripping Overburden with D6 ¹		\$250.00	ac	1.16	\$290
c. Topsoil Application					
Topsoil Depth			feet	0.67	
Topsoil Volume			CY	1,253	
Topsoil Application (WDEQ Guideline No.12, App.C)		\$1.65	CY	1,253	\$2,069
d. Discing/Seeding		\$1,089	ac	1.16	\$1,263
Subtotal Water Supply + Disposal Wells Surface Reclamation					\$20,662
V. Demolition, Removal of Monitoring Stations					
Demol'n Surface Water Monitoring Stns (WDEQ Guideline No.12, App.N)		\$2,532.80	ea	3	\$7,598
Demolition Air Quality Monitoring Stns (WDEQ Guideline No.12, App.O)		\$946.84	ea	5	\$4,734
Demolition Meterological Monitoring Stns (WDEQ Guideline No.12, App.O)		\$946.84	ea	1	\$947
					\$13,279
TOTAL MISCELLANEOUS SURFACE RECLAMATION COSTS					\$356,691

ft - feet
lf. - linear feet
SF - square feet
QTY - quantity

1 8/23/2011 Letter from B. Wood; DEQ, re: 2010-2011 Annual Report