

February 28, 2013

Mr. Josh Leftwich
Director of Radiation Safety and Licensing
Cameco Resources
2020 Carey Avenue
Suite 600
Cheyenne, WY 82001

SUBJECT: REQUEST FOR ADDITIONAL INFORMATION – 2013-2014 FINANCIAL
ASSURANCE ESTIMATE FOR CAMECO RESOURCES NORTH BUTTE
SATELLITE FACILITY – SOURCE MATERIALS LICENSE SUA-1548 (TAC
J00664)

Dear Mr. Leftwich:

By letter dated November 30, 2012, Power Resources, Inc., doing business as Cameco Resources (Cameco), submitted its annual financial assurance estimate for the North Butte satellite facility to the U.S. Nuclear Regulatory Commission (NRC) staff for review and approval. The NRC staff accepted the surety update for review on January 2, 2013 (see ADAMS Accession ML13002A278). Upon reviewing this submittal, the NRC staff has identified three items that require further clarification in order for the staff to complete its review. The NRC staff's comments are contained in the enclosure.

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 component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions regarding this matter, please contact me at (301) 415-0724, or by e-mail, at Douglas.Mandeville@nrc.gov.

Sincerely,

/RA/

Douglas T. Mandeville, Project Manager
Uranium Recovery Licensing Branch
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket No.: 40-8964
License No.: SUA-1548

Enclosure: Request for Additional Information

cc: M. Taylor, WYDEQ

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Director of Radiation Safety and Licensing
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DATE	02/25/13	02/26/13	02/26/13	02/28/13	02/28/13

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**Request for Additional Information (RAI) for
the Annual Surety Update for Cameco's
North Butte Satellite Facility**

Appendix C of NUREG-1569 states that the "licensee must provide estimated costs for all decommissioning, reclamation, and ground-water restoration work remaining to be performed at the site." Furthermore, Appendix C of NUREG-1569 states that the "licensee shall supply sufficient information for the U.S. Nuclear Regulatory Commission to verify that the amount of coverage provided by the financial assurance will permit the completion of all decontamination, decommissioning, and reclamation of sites, structures, and equipment used in conjunction with facility operation."

The submittal did not provide sufficient justification for the following cost estimate elements:

- On page 1 of 5 of Table RP-4A, the estimate indicates that there are two deep disposal wells at the North Butte Satellite Facility. Costs for "Waste Disposal Injection Well Abandonment" are included for deep disposal well No. 1 but not for deep disposal well No. 2. However, the prior year's submittal (dated January 27, 2012) included waste disposal injection well abandonment costs for both deep disposal well No. 1 and deep disposal well No. 2. The surety estimate does not explain why waste disposal injection well abandonment costs for deep disposal well No. 2 have been removed. Please either: revise the cost estimate to include plugging and abandonment costs for deep disposal well No. 2, or explain why these costs are not necessary at this time.
- Part II, Building Demolition and Disposal, within the surety estimate includes demolition and disposal costs for deep disposal well No. 1 building (DDW 1 Bldg), but does not include demolition and disposal costs for deep disposal well No. 2 building (DDW 2 Bldg). However, the prior year's submittal included estimated building demolition and disposal costs for both DDW 1 Bldg and DDW 2 Bldg. The surety estimate does not explain why demolition and disposal costs for the DDW 2 Bldg have been removed. Please either: revise the cost estimate to include building demolition and disposal costs for DDW 2 Bldg, or explain why these costs are not necessary at this time.
- The submission includes costs associated with wellfield buildings and equipment removal and disposal activities, as well as borehole abandonment activities, for both mine unit No. 1 and mine unit No. 2. However, Part IV, Groundwater Restoration, within the surety estimate includes costs for groundwater restoration activities for mine unit No. 1 only. The surety estimate does not explain why costs associated with groundwater restoration are not included for mine unit No. 2. Please either: revise the cost estimate to include more detail on costs related to the planned groundwater restoration activities, or confirm that no lixiviant will be injected prior to updating the estimate with groundwater restoration costs.

Enclosure