

October 30, 1996

U.S. Energy Corporation
ATTN: Mr. Kenneth Webber
877 North 8th West
Riverton, Wyoming 82501

SUBJECT: ANNUAL SURETY UPDATE - AMENDMENT 11 TO NRC SOURCE MATERIAL
LICENSE SUA-1524

Dear Mr. Webber:

The U.S. Nuclear Regulatory Commission staff has completed its review of U.S. Energy Corporation's (USE's) annual surety update for the Green Mountain Ion Exchange facility near Jeffrey City, Wyoming, as contained in your submittal of August 11, 1995. The NRC staff review found the proposed increase in the surety amount to be appropriate. USE incurred no costs associated with decommissioning activities, and inflation of the cost estimate by 2.8 percent is appropriate. Therefore, the revised surety amount of \$85,623 is acceptable.

Therefore, pursuant to Title 10 of the Code of Federal Regulations, Part 40, Source Material License SUA-1524 is hereby amended by revising License Condition No. 17. All other conditions of this license shall remain the same. The license is being reissued to incorporate the above modification (Enclosure 1). An environmental review was not performed since this action is categorically excluded under 10 CFR 51.22(c)(10).

This change to USE's license was discussed in a phone conversation on October 22, 1996, between yourself and Mr. James Park of my staff. If you have any questions regarding this letter or the enclosure, please contact Mr. Park at (301) 415-6699.

Sincerely,

Original Signed By:]

Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Docket No. 40-8971
SUA-1524, Amendment No. 11
Case Closed: L51456

Enclosure: As stated

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NAME	JPark <i>JRP</i>		DGillen	JHolonich			
DATE	10/22/96		10/28/96	10/20/96			

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