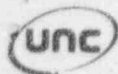


UNITED NUCLEAR CORPORATION

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October 24, 1996

U.S. Nuclear Regulatory Commission
Mr. Joseph J. Holonich, Chief
Uranium Recovery Branch MS-T-7J9
Division of Waste Management
Office of Nuclear Materials Safety and Safeguards
11545 Rockville Pike
Rockville, MD 20853

Re: Site Reclamation Expenditures
Quarterly Analysis - third quarter, 1996

Dear Mr. Holonich:

With this letter United Nuclear submits its quarterly analysis of reclamation costs as required in license condition No. 25 of our License SUA-1475 for the Church Rock site. This analysis is for the third quarter of 1996.

THIRD QUARTER 1996 COSTS

In a letter of March 30, 1996 we provided the most recent cost estimate for the reclamation activities anticipated to be conducted in future years as part of the required annual financial surety update.

The costs incurred for tailings reclamation in the third quarter of 1996 totalled \$555,971. They were incurred in the area of seepage cleanup actions and reclamation activities to date during the 1996 construction season. The majority of the costs incurred during the third quarter reflect the cost of construction of the buried jetty and the drainage channels, and purchase of the remainder of the rock materials needed to complete the 1996 reclamation activities.

Surface reclamation construction began in the second quarter and was completed in the third quarter.

Seepage Cleanup

The costs incurred in the third quarter of 1996 for seepage cleanup activities totalled \$64,256 as follows;

Seepage Collection

electrical Power	\$ 9336
equipment & Supplies	\$ 282
personnel	\$38531

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<u>Monitoring</u>	
sample analysis	\$ 6908
supplies	\$ 186
shipping	\$ 189
 <u>Performance Review</u>	 \$ 8919

Tailings Reclamation

The costs incurred in the third quarter of 1996 for tailings reclamation activities totalled \$491,714, as follows;

<u>Mobilization</u>	\$ 34022
 <u>Clear & Grub</u>	 \$ 1422
 <u>Construction Control & Verification</u>	
personnel	\$ 26017
materials & supplies	\$ 10252
radiological monitoring	\$ 5508
geotech testing	\$ 9878
 <u>North Diversion Ditch</u>	
0.35" bedding material	\$ 5092
rock placement	\$ 10615
 <u>North Drainage Channel</u>	
excavation	\$ 3572
fill	\$ 2039
0.02" bedding material	\$ 1333
0.35" bedding material	\$ 5693
6" & 9" rock	\$ 29116
rock placement	\$ 10235
 <u>South Drainage Channel</u>	
excavation	\$ 93174
0.35" bedding material	\$ 10645
9" rock	\$ 29581
rock placement	\$ 10191
 <u>Regrade South of Jetty</u>	 \$ 1060

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Buried Jetty

excavation & placement	\$ 73938
grading north of jetty	\$ 64728
low flow channel	\$ 15271

Decon Evap. Ponds

0.35" bedding material	\$ 6516
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C. & N. Cell Slope Protection

1.5" rock	\$ 31819
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The attached Table contains a comparison of actual first, second, and third quarter costs vs. projected 1996 total reclamation costs presented in our March 30, 1996 letter. There are several significant differences of note in the comparison between actual costs incurred in the third quarter and those estimated.

The surety estimate numbers contained the seepage collection section of the information presented in the March 30 letter (see shaded area in the attached table) assumed that United Nuclear would get approvals from NRC to decommission the seepage collection program in 1996 and commence decommissioning the wells. As is shown in the comparison, United Nuclear continues to operate the system as such approvals have not been forthcoming. The costs for operation of the system to date are consistent with the costs incurred in previous years. A determination regarding the future operation of the seepage cleanup program is anticipated later this year.

Also, there were significant savings realized in construction of the North and South Drainage Channels, and in regrading south of the buried jetty over the estimate provided in our March 30 letter. The savings in construction of the North Drainage Channel was a result of changes in the reclamation plan approved by NRC (see License Amendment No. 24). The savings in construction of the South Drainage Channel was in large part as a result of the presence of bedrock at unanticipated locations in the area of the excavation which eliminated the need for much of the 9" rock. The savings in regrading south of the buried jetty was a result of changes in the reclamation plan approved by NRC (see License Amendment No. 25).

If you have any questions regarding the information contained herein, please do not hesitate to call.

Sincerely,



Juan R. Velasquez

cc: Ed Morales
NRC Region IV
Ken Hooks - NRC Project Manager

**CHURCH ROCK
RECLAMATION COST
1st, 2nd & 3rd QUARTER 1996**

Oct, 1996

1996 TAILINGS RECLAMATION	VOLUME	UNITS	UNIT COST	TASK COST	TOTAL ESTIMATED COST	ACTUAL 1st QTR COST	ACTUAL 2nd QTR COST	ACTUAL 3rd QTR COST	ACTUAL YEAR TO DATE
Mobilization		lump sum		\$32,210	\$32,210			\$34,022	\$34,022
Clear & Grub	34	acres	\$280.00	\$9,520	\$9,520			\$1,422	\$1,422
North Diversion Ditch									
excavation	8510	cubic yards	\$1.90	\$16,169					
0.02" bedding material	261	cubic yards	\$9.99	\$2,607					
0.35" rock	254	cubic yards	\$18.98	\$4,821				\$5,092	\$5,092
6" rock	755	cubic yards	\$38.36	\$28,962			\$30,591		\$30,591
rock placement	755	cubic yards	\$15.00	\$11,325				\$10,615	\$10,615
					\$63,884				
North Drainage Channel									
excavation	4340	cubic yards	\$1.90	\$8,246				\$3,572	\$3,572
fill	8300	cubic yards	\$1.30	\$10,790				\$2,039	\$2,039
0.02" bedding material	300	cubic yards	\$9.99	\$2,997				\$1,333	\$1,333
0.35" rock	284	cubic yards	\$18.98	\$5,390				\$5,693	\$5,693
9" rock	1155	cubic yards	\$41.83	\$48,314			\$5,601	\$29,116	\$34,717
rock placement	1155	cubic yards	\$15.00	\$17,325				\$10,235	\$10,235
					\$93,062				
South Drainage Channel									
excavation	64386	cubic yards	\$2.60	\$167,404				\$93,174	\$93,174
0.02" bedding material	1101	cubic yards	\$9.99	\$10,999			\$6,071		\$6,071
0.35" rock	685	cubic yards	\$18.98	\$13,001				\$10,645	\$10,645
9" rock	2600	cubic yards	\$41.83	\$108,758				\$29,581	\$29,581
rock placement	2600	cubic yards	\$15.00	\$39,000				\$10,191	\$10,191
					\$339,162				
Regrade South of Jetty	144711	square yard	\$1.30	\$188,124	\$188,124			\$1,060	\$1,060
Buried Jetty									
excavation & placement		lump sum		\$70,000				\$73,938	\$73,938
6" rock	3436	cubic yards	\$38.36	\$131,805			\$139,219		\$139,219
regrade north of jetty	46911	square yard	\$0.40	\$18,764				\$64,728	\$64,728
low flow channel	24450	square yard	\$0.40	\$9,780				\$15,271	\$15,271
					\$230,349				
Decommission Evaporation Ponds									
fill & 1.5 ft Rn soil cover	107000	cubic yards	\$1.70	\$181,900					
6" soil/rock matrix	43560	square yard	\$0.90	\$39,204					
0.02" bedding material	822	cubic yards	\$9.99	\$8,212			\$5,182		\$5,182
0.35" rock	325	cubic yards	\$18.98	\$6,169				\$6,516	\$6,516
1.5" rock	454	cubic yards	\$19.91	\$9,039			\$93,580		\$93,580
3" rock	600	cubic yards	\$25.65	\$15,390					
rock placement	1064	cubic yards	\$30.00	\$31,920					
					\$291,833				
C. & N. Cell Slope Protection									
1.5" rock	2270	cubic yards	\$19.91	\$45,196			\$15,920	\$31,819	\$47,739
rock placement	2270	cubic yards	\$6.00	\$13,620					
					\$58,816				
NM Gross Receipts Tax (5.625%)				\$73,517	\$73,517				
Construction Control & Verification									
geotech testing		lump sum		\$40,000		\$603		\$9,878	\$10,481
as built report		lump sum		\$20,000		\$79			\$79
radiological monitoring	20	employees	\$100.00	\$2,000			\$200	\$5,508	\$5,708
materials & supplies				\$20,000		\$11,349	\$21,808	\$10,252	\$43,409
personnel				\$98,000		\$22,501	\$24,908	\$26,017	\$73,426
Supervisor (50% of time)									
Survey Engineer (50% of time)									
Survey Tech (100% of time)									
					\$180,000				
Total Surface Reclamation					\$1,560,477	\$34,532	\$343,081	\$491,715	\$869,328
Seepage Collection									
plug wells	205	wells	\$1,727	\$354,035			\$8,795		\$8,795
NM gross receipts tax (5.625%)				\$19,814					
electrical power						\$3,368	\$4,190	\$9,336	\$16,894
equipment & supplies						\$2,645	\$4,584	\$282	\$7,511
personnel						\$37,668	\$31,765	\$38,531	\$107,964
Ground Water Monitoring									
sample analysis						\$13,302	\$6,908	\$6,813	\$27,023
supplies						\$153	\$124	\$186	\$463
shipping						\$120	\$94	\$189	\$403
Performance Review						\$20,594	\$7,344	\$8,919	\$36,857
Total Seepage Cleanup					\$373,949	\$77,850	\$63,804	\$64,256	\$205,910
TOTAL RECLAMATION 1996					\$1,934,427	\$112,382	\$406,885	\$555,971	\$1,075,238