



40-8698

UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

February 26, 1997

Plateau Resources Limited
ATTN: Mr. Kenneth Webber
877 North 8th West
Riverton, Wyoming 82501

SUBJECT: FINANCIAL SURETY FOR RESUMPTION OF MILL OPERATIONS AT THE
SHOOTARING CANYON URANIUM MILL, GARFIELD COUNTY, UTAH

Dear Mr. Webber:

By letter dated January 10, 1997, Plateau Resources Limited (PRL) submitted its revised detailed site decommissioning and reclamation plan for the Shootaring Canyon Uranium Processing Facility, located in Garfield County, Utah. In addition to providing in the plan a detailed description of activities necessary to complete decommissioning and reclamation at the site, PRL also estimated the total cost that an independent contractor hired to perform these activities would incur to complete the work. PRL has estimated this cost to be \$6,784,159.

The U.S. Nuclear Regulatory Commission staff has conducted an initial review of the activities described in PRL's submittal and their associated costs. Based on its review, the NRC staff finds the amount of \$6,784,159 to be adequate for the purposes of resuming mill operations. As has been discussed previously with you, the NRC staff and its contractors will continue to conduct a more detailed technical review of the plan. Please note that this review may identify a need for additional information or analyses, with an accompanying revision to the cost estimate.

The NRC staff intends to complete its detailed technical review of PRL's license renewal application for the Shootaring Canyon mill by March 31, 1997. The NRC staff considers that an adequate financial surety must be in place prior to a resumption of mill operations and notes that PRL has two options available to meet this requirement. First, PRL may choose to submit, prior to the NRC staff's completion of its review, a revision to its current financial surety arrangement for the mill to cover the amount of \$6,784,159. If PRL selects this option, the revised surety arrangement should be provided to the NRC within 14 days of the date of this letter so that the current schedule for the review is not impacted adversely.

The alternative would be for PRL to delay submitting the revised surety arrangement until after the NRC staff has completed its review of the renewal application and has issued the renewal license. Under this option, the new license would contain a condition stating that mill operations could not resume until the revised surety arrangement was submitted to and approved by the NRC. NRC staff approval of the revised surety would involve a license amendment, and would result in an expenditure of resources for which PRL would be assessed fees to recover the full costs in accordance with 10 CFR 170.31, Fee Category 2.

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Sincerely,
(Original signed by)

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