

40-6659

Petrotomics Company

P. O. Box 8509, Shirley Basin, Wyoming 82615 - Telephone: (307) 234-9341

April 9, 1997

Mr. Joseph J. Holonich, Chief  
Uranium Recovery Branch MS-T-7-J-9  
Division of Waste Management  
Office of Nuclear Material Safety  
and Safeguards  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Reference: License Condition No. 23,  
Source Material License SUA-551.

Dear Mr. Holonich:

Reference is made to your letter dated March 24, 1997, concerning the annual surety update required by License Condition No. 23. The current surety update proposal includes operation and maintenance of Petrotomics' current approved groundwater corrective action program for four years, in the total amount of \$268,387. The four year estimate was required by URFO in 1991 (reference Mr. Ramon E. Hall's letter dated January 18, 1991), and has not been reduced. I am advised by Mr. Haque of your staff that an increase will be necessary.

It is our understanding that our concentration limits proposal and Alternate Concentration Limits Application are currently being considered by your staff and contractor. While these submittals are under review, we are unable to further address the sufficiency of the surety amount for the groundwater remediation effort.

We have reviewed the latest NRC criteria and believe that we have met the required groundwater surety requirements. However, at NRC's request, we propose, for the current surety update, to increase the term of the current approved groundwater corrective action program from 4 years to 6 years. This would provide for operation and maintenance of the system until December 31, 2002, the projected groundwater corrective actions completion date in License Condition No. 50 B(2). The additional estimated cost is \$134,194. For this update, therefore, we propose a total increase of the surety amount of \$320,701 (the increase in the CPI of \$186,507 plus \$134,194). The total surety amount would be \$5,972,424.

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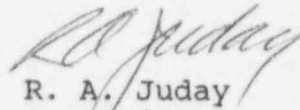
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Approval of this surety amount is requested. Please contact us if you have questions or need additional information.

Sincerely,

  
R. A. Juday  
Supervisor

pc: Mr. Mohammad Haque

U.S. Nuclear Regulatory Commission  
Region IV  
Attn: Samuel J. Collins, Director  
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