



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

March 30, 2021

Ms. Sandra Ross
Site Manager
Rio Algom Mining LLC
P.O. Box 218
Grants, NM 87020

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION VERIFICATION REGARDING
THE 2020 SURETY UPDATE, RIO ALGOM MINING LLC, MCKINLEY COUNTY,
NM, SOURCE MATERIAL LICENSE SUA-1473, (EPID: L-2020-DFA-0004)

Dear Ms. Ross:

By letter dated June 23, 2020 (Agencywide Documents Access and Management System [ADAMS] Accession No. ML20192A224), Rio Algom Mining LLC (RAML) submitted its 2020 surety update for its Ambrosia Lake facility to the U.S. Nuclear Regulatory Commission (NRC). After a clarification call with the NRC on September 1, 2020, RAML submitted a revised surety estimate by letter dated September 30, 2020 (ML20307A169), consistent with the requirements of section (f) of Criterion 9 of Appendix A to 10 *Code of Federal Regulations* (10 CFR) Part 40 and additional information for the cost estimate consistent with the recommendations of NUREG-1620. NRC staff reviewed the surety estimate and issued a request for additional information (RAI) on January 11, 2020 (ML21012A212). RAML responded to NRC's RAI by letter dated February 8, 2021 (ML211041A418).

RAML's 2020 estimated surety amount increased from \$9,609,143 in 2020 to \$13,958,078. The cost increase is mainly due to and "newly scoped reclamation costs related to windblown tailings material retrieval and construction of a new byproduct material repository [ML20307A169]" and ongoing licensed activities, operations and maintenance tasks.

Based on the information provided in RAML's aforementioned surety update submittal, the NRC staff has determined that the estimated costs in by the surety update are acceptable as documented in the NRC staff's technical evaluation report (enclosed). Acknowledging that RAML continues to retain a financial surety instrument in the amount of \$16,000,000, License Condition 22 of Materials License SUA-1473 will remain as \$16,000,000, which is sufficient to cover the current estimated surety costs.

As a result of this review and verification, the NRC staff has completed its work on Enterprise Project Identifier (EPID) L-2020-DFA-0004. Therefore, this EPID will be closed with no further charges against it.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," 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 ADAMS. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions, please contact Mr. Tom Lancaster, Project Manager by email at Thomas.Lancaster@nrc.gov

Sincerely,



Signed by Lancaster, Thomas
on 03/30/21

Tom Lancaster, Project Manager
Division of Decommissioning, Uranium Recovery
and Waste Programs
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-8905
License No.: SUA-1473

Enclosure:
NRC Staff Verification of 2020 Surety Estimate

cc: A. Rheubottom, NMEQ

NRC Verification of the 2020 Financial Assurance Update, Rio Algom Mining LLC, Ambrosia Lake Facility,
Source Materials License, SUA-1473 DATE March 30, 2021

DISTRIBUTION:

ADAMS Accession No.: ML21085A771; Ltr ML21085A770

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