



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

January 05, 2000

Mr. William Paul Goranson, Manager
Radiation Safety, Licensing and
Regulatory Compliance
Quivira Mining Company
6305 Waterford Bldg., Suite 325
Oklahoma City, OK 73118

SUBJECT: 1999 ANNUAL SURETY UPDATE TO LICENSE SUA-1473 FOR QUIVIRA -
AMBROSIA LAKE FACILITY REQUEST FOR ADDITIONAL INFORMATION.

Dear Mr. Goranson:

The U.S. Nuclear Regulatory Commission (NRC) has reviewed your recent submittal for the 1999 annual surety update for the Quivira - Ambrosia Lake site in your letter dated September 27, 1999. This letter was sent in response to the August 25, 1999, request from the NRC for additional information. The revised surety, submitted by you on September 27, 1999, does not adequately justify the proposed surety amount.

The current proposed surety is estimated using a 15-year basis for completion of the ground-water corrective action plan. A cursory review of the surety by our hydrogeologist shows that the basis for the 15-year treatment process is unsubstantiated. We ask that you provide more detailed information, including modeling, demonstrating the length of time that it will take the current CAP to comply with the ground-water protection standards of the license.

The additional information provided to us should include modeling of the current treatment process in order to estimate the time and effort required to reach the ground-water standards. Models should be calibrated using current data and results should include predictive modeling and other treatment options if necessary.

The surety is a financial instrument that should be sufficient to meet the cost of remediation at the uranium mill site. The surety should also include any corrective action at your site. The total surety amount is sensitive to the cost for ground-water corrective action. Therefore, the surety update for 1999 should reflect the actual time and cost to clean the ground water to the standards in the approved corrective action plan. We ask that you submit an updated 1999 surety to this office that reflects the results of the new modeling.

NRC FILE CENTER COP

DF03.

PDRADOCIC

W. Goranson

-2-

If you have any questions regarding this matter, please feel free to contact the NRC project manager, Jill Caverly, at 301-415-6699.

Sincerely,

Thomas H. Essig, Chief
Uranium Recovery and
Low Level Waste Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

DISTRIBUTION w/Encl.: File Center NMSS r/f URLL r/f CNWRA
BSpitzberg, RIV ACNW PUBLIC MLayton JHolonich

DOCUMENT NAME:G\URLL\JSC\NEWSURE.WPD

OFC	URLL	URLL	URLL				
NAME	JCaverly:bg	DGillen	TEssig				
DATE	12/23/99	01/21/04/98	01/21/98				

OFFICIAL RECORD COPY

This document ~~should~~ should not be made available to the PUBLIC

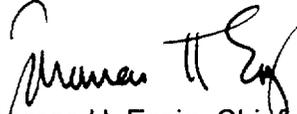
TH 1/4/00
(Initials) (Date)

W. Goranson

-2-

Please feel free to contact the NRC project manager, Jill Caverly at 301-415-6699, should you have any question regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas H. Essig". The signature is fluid and cursive, with the first name being the most prominent.

Thomas H. Essig, Chief
Uranium Recovery and
Low-Level Waste Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards