

February 10, 2000

Mr. T. W. Hardgrove
Pathfinder Mines Corporation
935 Pendell Boulevard
P.O. Box 730
Mills, WY 82644

SUBJECT: 2000 ANNUAL SURETY UPDATE, RUTH AND NORTH BUTTE *IN SITU* LEACH
URANIUM PROJECTS, AMENDMENT 3

Dear Mr. Hardgrove:

The U.S. Nuclear Regulatory Commission (NRC) staff has completed its review of the annual surety update for the Pathfinder Ruth and North Butte *IN SITU* LEACH (ISL) Uranium Projects. Your request to amend License Condition 35 was submitted by letter dated January 20, 2000. No commercial uranium extraction has occurred at the Ruth and North Butte ISL Projects since Licensing. The sites remain on standby status, with only minor facilities requiring decommissioning and restoration.

We conclude that Pathfinder Mines Corporation correctly applied the appropriate inflation factor of 12.4 percent for the period of November 1994 (Consumer Price Index (CPI) of 149.7) through December 1999 (CPI of 168.3) for the existing facilities and the appropriate inflation factor of 18.5 percent for the period of November 1992 (CPI of 142) through December 1999 (CPI of 168.3) for the development of commercial operations at the North Butte ISL Project.

Based on the application of these inflation factors, we agree with your revised surety estimates of \$182,576 (an increase of \$4,711) for the existing facilities and \$4,597,813 (no change) for the development of commercial operations at the Ruth ISL Project. We also agree with your revised surety ISL estimates of \$31,415 (an increase of \$800.07) for the existing facilities and \$3,996,999 (an increase of \$77,579) for the development of commercial operations at the North Butte ISL Project. Additionally, we find the 15 percent contingency acceptable.

We hereby amend Condition 35 of Materials License SUA-1540 to reflect the revised surety amounts stated above, pursuant to Title 10 Code of Federal Regulations (10 CFR) Part 40. All other conditions of the license shall remain the same. The license is being reissued to incorporate the above modifications, as provided in the enclosure.

Pathfinder Mines Corporation is not required to submit an environmental report for this action, because the amendment does not meet the criteria of 10 CFR 51.60 (b)(2). An environmental assessment for the action is not required, since this license revision meets the categorical exclusion under 10 CFR 51.22(c)(10).

T.W. Hardgrove

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If you have any questions concerning this amendment, please contact the NRC project manager, Melanie Wong, at (301) 415-6262 or e-mail at mcw@nrc.gov.

Sincerely,

/RA/

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

Docket No.: 40-8981
License No.: SUA-1540

Enclosure: Revised License SUA-1540,
Amendment 3

cc: B. Guirgevich, WDEQ - District III
G. Mooney, WDEQ - District III
D. L. Wichers, COGEMA

T.W. Hardgrove

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