



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

June 1, 2016

Mr. Lawrence J. Corte
President and General Manager
Western Nuclear Incorporated
2801 Youngfield Street, Suite 340
Golden, CO 80401

SUBJECT: WESTERN NUCLEAR INCORPORATED'S SUBMISSION OF ALTERNATE FINANCIAL ASSURANCE FOR WESTERN NUCLEAR INCORPORATED'S SPLIT ROCK, WYOMING SITE (DOCKET NUMBER: 040-01162)

Dear Mr. Corte:

I am writing in response to your letter, dated April 29, 2015, submitting the proposed alternate financial assurance arrangement for Western Nuclear Incorporated's Split Rock, Wyoming site (Agencywide Documents Access and Management System (ADAMS) Accession Number ML16137A117). The Nuclear Regulatory Commission (NRC) staff has reviewed your proposed alternate financial surety arrangement and has determined that additional information is necessary to evaluate your proposed alternate financial surety arrangement. Please provide the following additional information:

1. A proposed updated Standby Trust Agreement that references the surety bond rather than a parent company guarantee;
2. A proposed revised Schedule A reflecting the current cost estimate for regulatory assurances; and,
3. A proposed revised Schedule B reflecting the change to the funding of the financial surety.

In addition, as discussed below, the current financial surety arrangement for the Split Rock, Wyoming site, specifically, a Parent Company Guarantee (PCG) issued by Freeport-McMoRan Copper and Gold Inc., and a standby trust agreement that is accessible to the NRC, shall remain in effect unless and until the NRC approves the alternate financial surety arrangement.

The NRC's regulations of Title 10 of the *Code of Federal Regulations* (10 CFR) Part 30, Appendix A III. C. states:

The parent company guarantee and financial test provisions must remain in effect until the Commission has terminated the license, accepted in writing the parent company's alternate financial assurances, or accepted in writing the licensee's financial assurances.

In addition, License Condition 29 of radioactive materials license SUA-56 states:

The licensee shall maintain an NRC-approved financial surety arrangement adequate to cover the estimated decommissioning and reclamation costs consistent with 10 CFR 40, Appendix A, Criteria 9 and 10.

Further, License Condition 29 states:

Western Nuclear's NRC-approved financial assurance arrangement includes a surety, a PCG issued by Freeport-McMoRan Copper and Gold Inc., and a standby trust agreement that is accessible to the NRC. The total NRC portion of the financial assurance amount shall be no less than \$1,132,374.00. The financial assurance shall be continuously maintained in accordance with the recitals of the PCG unless and until a replacement is authorized by both the NRC and the State of Wyoming, to ensure compliance with 10 CFR Part 40, Appendix A, Criterion 9 and 10.

Therefore, pursuant to 10 CFR 30 Appendix A III.C, and in accordance with License Condition 29 of SUA-56, the financial surety arrangement discussed in Condition 29 of the radioactive materials license for the Split Rock, Wyoming site, specifically, a PCG issued by Freeport-McMoRan Copper and Gold Inc., and a standby trust agreement that is accessible to the NRC, shall remain in effect until the NRC approves the alternate financial surety arrangement.

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 me at (301) 415-6749 or by e-mail at: Dominick.Orlando@nrc.gov.

Sincerely,

/RA/

Dominick A. Orlando, Senior Project Manager
Materials Decommissioning Branch
Division of Decommissioning, Uranium Recovery
and Waste Programs
Office of Nuclear Material Safety
and Safeguards

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Therefore, pursuant to 10 CFR 30 Appendix A III.C, and in accordance with License Condition 29 of SUA-56, the financial surety arrangement discussed in Condition 29 of the radioactive materials license for the Split Rock, Wyoming site, specifically, a PCG issued by Freeport-McMoRan Copper and Gold Inc., and a standby trust agreement that is accessible to the NRC, shall remain in effect until the NRC approves the alternate financial surety arrangement.

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If you have any questions please contact me at (301) 415-6749 or by e-mail at: Dominick.Orlando@nrc.gov.

Sincerely,

/RA/

Dominick A. Orlando, Senior Project Manager
Materials Decommissioning Branch
Division of Decommissioning, Uranium Recovery
and Waste Programs
Office of Nuclear Material Safety
and Safeguards

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ADAMS Accession No.:

ML16133A537

***concurrence by email**

OFC	NMSS:PM	NMSS:LA	NMSS	NMSS:BC	OGC	NMSS:PM
NAME	D. Orlando	C. Holston	C. McKenney	M. Norato	A. Gendelman	D. Orlando
DATE	5/17/16	5/17/16	5/20/16	5/24/16	5/31*/16	6/01/16

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