

**Western Nuclear, Inc.  
2801 Youngfield Street, Suite 340  
Golden, Colorado 80401  
(303) 274-1767**

*Lawrence J. Corte  
President & General Manager*

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

April 29, 2016

Dominick Orlando  
Senior Project Manager  
U.S. Nuclear Regulatory Commission  
Mailstop T-8 F-5  
Washington, D.C. 20555-0001

Document Control Desk  
U.S. Nuclear Regulatory Commission  
Mailstop T-8 F-5  
Washington, D.C. 20555-0001

**Re: Financial Assurance Update for Western Nuclear, Inc.'s Split Rock Facility Located  
in Jeffery City, Wyoming – NRC License # SUA-56**

Dear Mr. Orlando:

In accordance with 10 C.F.R. Part 40, Western Nuclear, Inc. ("WNI") currently has in place a Guarantee issued by its parent company, Freeport-McMoRan Inc., covering the decommissioning cost estimate for the above facility in the amount of \$1,132,374. In accordance with the terms of the Guarantee and 10 C.F.R. Part 30, Appendix A, WNI hereby submits to the Nuclear Regulatory Commission ("NRC") alternative financial assurance as specified in 10 C.F.R. Part 40.

Please contact the undersigned if you have any questions.

Sincerely,



Lawrence J. Corte  
President & General Manager  
Western Nuclear, Inc.

## PAYMENT SURETY BOND

Date bond executed: April 28, 2016

Effective date: April 28, 2016

Principal:

Western Nuclear, Inc.  
2801 Youngfield, Suite 340  
Golden, CO 80401

Type of organization: Corporation

State of incorporation: Delaware

NRC license number, docket number, name and address of facility, and amount for decommissioning activities guaranteed by this bond:

NRC License# SUA-56

Docket No. 40-1162

Western Nuclear, Inc.

Split Rock Millsite

22 Ore Road

Jeffrey City, Fremont County

Wyoming 82310

Decommissioning Amount \$ 1,132,374

Surety: Westchester Fire Insurance Company

436 Walnut Street WA10H

Philadelphia, PA 19106

Type of organization: Corporation

State of incorporation: Pennsylvania

Surety's qualification in jurisdiction where licensed facility is located:

Surety's bond number: 

Total penal sum of bond: \$ 1,132,374

Know all persons by these presents, that we, the Principal and Surety hereto, are firmly bound to the U.S. Nuclear Regulatory Commission (hereinafter called NRC) in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum

only as is set forth opposite the name of such Surety; but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS, the U.S. Nuclear Regulatory Commission, an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974, has promulgated regulations in Title 10, Chapter I of the *Code of Federal Regulations*, Part 40, applicable to the Principal, which require that a license holder or an applicant for a facility license provide financial assurance that funds will be available when needed for facility decommissioning;

NOW, THEREFORE, the conditions of the obligation are such that if the Principal shall faithfully, before the beginning of decommissioning of each facility identified above, fund the standby trust fund in the amount(s) identified above for the facility;

Or, if the Principal shall fund the standby trust fund in such amount(s) after an order to begin facility decommissioning is issued by NRC or a U.S. District Court or other court of competent jurisdiction;

Or, if the Principal shall provide alternative financial assurance, and obtain NRC's written approval of such assurance, within 30 days after the date a notice of cancellation from the Surety is received by both the Principal and NRC, then this obligation shall be null and void; otherwise it is to remain in full force and effect.

The Surety shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by NRC that the Principal has failed to perform as guaranteed by this bond, the Surety shall place funds in the amount guaranteed for the facility into the standby trust fund.

The liability of the Surety shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety hereunder exceed the amount of said penal sum.

The Surety may cancel the bond by sending notice of cancellation by certified mail to the Principal and to NRC provided, however, that cancellation shall not occur during the 90 days beginning on the date of receipt of the notice of cancellation by both the Principal and NRC, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to NRC and to the Surety 90 days prior to the proposed date of termination, provided, however, that no such notice shall become effective until the Surety receives written authorization for termination of the bond from NRC.

The Principal and Surety hereby agree to adjust the penal sum of the bond yearly so that it guarantees a new amount, provided that the penal sum does not increase by more than 20 percent in any one year and no decrease in the penal sum takes place without the written permission of NRC.

If any part of this agreement is invalid, it shall not affect the remaining provisions that will remain valid and enforceable.

In Witness Whereof, the Principal and Surety have executed this financial guarantee bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety.

Principal

Western Nuclear, Inc.  
2801 Youngfield, Suite 340  
Golden, CO 80401

Robert R. Boyce  
[Signatures]

Robert R. Boyce  
[Names]

Assistant Treasurer  
[Titles]

[Corporate seal]

WESTCHESTER FIRE INSURANCE COMPANY  
436 Walnut Street WA10H  
Philadelphia, PA 19106

Corporate Surety

State of incorporation: Pennsylvania

Liability limit: \$ 1,132,374

Anoop Chawla Adlakha  
[Signatures]

Anoop Chawla Adlakha, Attorney in Fact  
[Names and titles]

[Corporate seal]

[For every co-surety, provide signatures, names and titles, corporate seal, and other information in the same manner as for the Sureties above.]

Bond Premium: \$ 8,492.81

# Power of Attorney

## WESTCHESTER FIRE INSURANCE COMPANY

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the Commonwealth of Pennsylvania pursuant to the following Resolution, adopted by the Board of Directors of the said Company on December 11, 2006, to wit:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
- (2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such persons written appointment as such attorney-in-fact.
- (3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (4) Each of the Chairman, the President and Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested.

Does hereby nominate, constitute and appoint Anoop Chawla Adlakhia, Donna L Williams, Jennifer Copeland, Lisa Ward, Lupe Tyler, Margaret Buboltz, Michael J Herrod, Myisha S Jefferson, Nancy Thomas, Stephenie Whittington, Vanessa Dominguez, Wendy Stuckey, all of the City of HOUSTON, Texas, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding Seventy Five million dollars & zero cents (\$75,000,000.00) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office,

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice-President, has hereunto subscribed his name and affixed the Corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 20 day of August 2015.

WESTCHESTER FIRE INSURANCE COMPANY



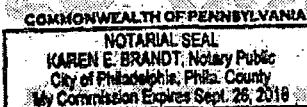
*Stephen M. Haney*

Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF PHILADELPHIA ss.

On this 20 day of August, AD. 2015 before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Haney, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



*Karen E. Brandt*

Notary Public

I, the undersigned Assistant Secretary of the WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the Corporation, this 28 day of April, 2016



*William L. Kelly*

William L. Kelly, Assistant Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER August 20, 2017.



# State of Wyoming

## Department of Insurance

### CERTIFICATE OF AUTHORITY

January 26, 2011 Westchester Fire Insurance Company merged into ACE Indemnity Insurance Company; ACE Indemnity Insurance Company changed name to Westchester Fire Insurance Company effective January 1, 2011.

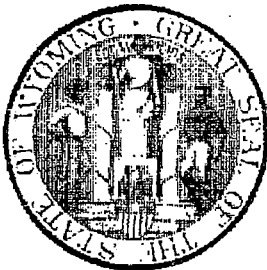
September 26, 1985

*It Is Hereby Certified* that Westchester Fire Insurance Company, NAIC No. 10030, organized under the laws of Pennsylvania and whose principal office is located at 436 Walnut Street, Philadelphia, Pennsylvania 19106, has complied with all applicable laws of this state and is hereby authorized to transact business as an insurer limited to the following types of insurance and coverages as defined by the Wyoming Insurance Code:

#### Multiple Lines

This Certificate of Authority shall remain continuously in force as long as the insurer is entitled thereto under the laws of this state; subject to the requirement that the insurer make timely payment of all fees and taxes and make due filing of its Annual Statements.

*In Testimony Whereof*, I have hereunto set my hand and affixed my seal of office, at the City of Cheyenne, the day and year first above written.



*Kenneth G. Vines*  
Kenneth G. Vines, Insurance Commissioner