

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

Lawrence J. Corte
President & General Manager

September 29, 2016

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

RE: Amendment Request / 2016 Surety Update / SUA-56 Split Rock Millsite /
Docket No. 40-1162 / License Condition #29

Dear Mr. Orlando:

I am the President of Western Nuclear, Inc., a wholly owned subsidiary of Freeport-McMoRan Inc. (the "Company"). This letter is to update the current surety for the Split Rock Millsite, near Jeffrey City, Wyoming, which is ready for transfer to the United States upon acceptance by the US Department of Energy.

The current surety amount of \$1,132,374 (License Amendment No. 107 dated December 21, 2015) should be adjusted for inflation by applying the percent difference between the August 2015 CPI (238.316) and the August 2016 CPI (240.853) as follows:

$$[(238.316 - 240.853) \div 238.316] = 0.010645529 \quad 1.010645529 \times \$1,132,374 = \underline{\$1,144,429}$$

The new surety amount represents an increase of \$12,055 to the current amount.

Cost Estimate Breakdown

Water Monitoring:

Sample Collection, Lab Analysis, Report Preparation	\$ 29,020
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Site Transfer Issues:

Title Insurance, Legal and Consulting Fees	116,535
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NRC License Fees	46,543
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Subtotal	192,098
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Contingency (15%)	28,815
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Long-Term Care Fee (\$250,000 in 1978 dollars)	923,516
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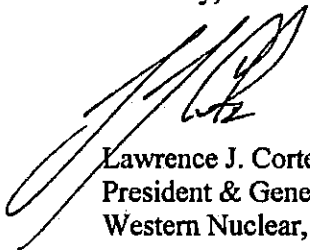
Total Estimated Costs	\$ 1,144,429
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The Company guarantees, through a Reclamation Surety Bond and Standby Trust Agreement submitted to demonstrate compliance under 10 CFR Part 40, including Appendix A, the decommissioning of the following facility owned and operated by a subsidiary of this Company. The current cost estimates or certified amounts for decommissioning, so guaranteed, are shown for this facility:

<u>Name and Location</u>	<u>License Number</u>	<u>Current Cost Estimates</u>
Western Nuclear, Inc. Split Rock Millsite 22 Ore Road Jeffrey City, Fremont County Wyoming 82310	SUA - 56	\$ 1,144,429

I hereby certify that the content of this letter is true and correct to the best of my knowledge. Please contact me at your convenience if you have any questions regarding this submittal.

Sincerely,



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

cc: US NRC Document Control Desk