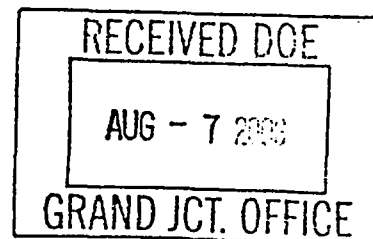


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August 3, 2006

re: Western Nuclear, Inc. Split Rock Site

Letitia O'Connor, REM
Office of Property Management & Community Assistance
US Department of Energy,
Office of Legacy Management
Room 6G-030
1000 Independence Avenue, SW
Washington DC 20585

Dear Ms. O'Connor:

The NRC Project Manager for Western Nuclear's (WNI) Split Rock Site, Steve Cohen, has indicated that it is probable that the Environmental Assessment process will be complete and that ACL's will be granted for the site prior to September 30, 2006.

As the time-line for site transfer to the United States for site administration by the Department of Energy (DOE) continues to shorten, WNI would like the DOE to consider two issues which have been the subject of past discussions between WNI's representatives and DOE personnel. The State of Wyoming owns the minerals which underlie that portion of S 36, T 30 N, R 92 W which will be conveyed to the United States. And the Red Mule Subdivision is a legally platted entity filed in the real property records of Fremont County, Wyoming.

WNI does not believe it should be necessary for it to acquire the state minerals in Section 36 or to attempt to eliminate the plat map for Red Mule in the Fremont County records. Undertaking efforts to acquire the minerals or to eliminate the plat map would be extremely time consuming and the transaction costs quite high.

Leaving the state minerals and the subdivision plat map in place would never threaten the integrity of the site nor hinder the DOE's ability to administer the site. There would be no adverse effect on human health, safety or the environment.

There are numerous safeguards and reasons that the state minerals need not be acquired by WNI:

- (1) Section 36 is quite a linear distance from the reclaimed tailings area and is in the Long Term Care Area only because of the present groundwater plume from the Northwest Valley.
- (2) The groundwater model for the site predicts that groundwater underlying Section 36 will be at or near background within 45 years because of natural attenuation.
- (3) Most of the subject portion of Section 36 is in a floodplain of the Sweetwater (therefore a difficult environment for any surface installation for an extractive industry) and there is no known mineralization of commercial viability.
- (4) Even if mining or extraction were to occur, there would be no threat to human health or the environment. The groundwater is presently suitable for commercial use, irrigation and stock watering.
- (5) Section 36 was purchased from the state by WNI so that it could be conveyed to the United States, but Wyoming would not convey the mineral estate.

For the above set forth reasons and because it is difficult to obtain Wyoming minerals, WNI would ask that the DOE accept the site with the Wyoming minerals in place. A property map is enclosed for reference to Section 36.

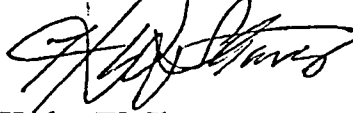
There are also numerous reasons and legal safeguards that make eliminating the Red Mule Subdivision as a legally platted entity unnecessary:

- (1) WNI has acquired fee title to all of the Lots in the Red Mule Subdivision.
- (2) WNI will convey all of the Red Mule Lots by warranty deed to the United States and provide Title Insurance.
- (3) Pursuant to extant law, any road way that was for the common use of diverse owners in a subdivision would come under the control and ownership of the entity which now owned all of the subdivision property.
- (4) The subdivision is about 1.5 miles distant from the reclaimed tailings area.
- (5) All utility connections to the Lots will have been disconnected and abandoned and there will be no right of access to third parties.

For the reasons enumerated, it is requested that WNI not be required to eliminate the Red Mule Subdivision as a platted entity in the Fremont County real property records.

Thank you for your attention to these issues, and do not hesitate to contact me with any questions or comments.

Very truly yours,

A handwritten signature in black ink, appearing to read "Harley W. Shaver". The signature is written in a cursive style with a large, sweeping initial "H".

Harley W, Shaver

- c. Tom Pauling
- Mark Plessinger
- L. Corte
- A. Thomas