

February 27, 2002

Docket No. 040-07580
Letter of Credit No. 60706650

License No.SMB-911

American National Bank and Trust Company of Chicago
c/o Bank One, N.A.
ATTN: Standby Letter of Credit Unit
1 Bank One Plaza
Suite 0809
Chicago IL 60670-0809

SUBJECT: LETTER OF CREDIT NO. 60706650

Dear Ms. Kruesi:

On August 22, 1995, American National Bank and Trust Company of Chicago issued Letter of Credit No. 60706650 in favor of the U.S. Nuclear Regulatory Commission (NRC) at the request of and for the account of Fansteel, Inc.

You are notified by this letter that the NRC wishes to draw upon the full value of Letter of Credit No. 60706650 and have the resulting funds deposited in the Standby Trust created for this purpose. Our Sight Draft is enclosed. I certify that the amount of the draft is payable pursuant to regulations issued under the authority of the NRC.

Please contact Mr. Thomas Fredrichs at (301) 415-5971 if you have any questions. Thank you for your cooperation.

Sincerely,

/RA/

Martin J. Virgilio, Director
Office of Nuclear Material Safety
and Safeguards

Enclosures: 1. Sight Draft
2. Letter of Credit

Certified Mail
Return Receipt Requested

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OFFICE	DWM		DWM		FCLB		FCLB		FCLB	
NAME	T.Fredrichs*		C.Craig*		L.Fields*		PShea*		LRoché*	
DATE	01/25/02		01/25/02		01/25/02		01/25/02		01/25/02	
OFFICE	OGC		FCLB		FCSS		NMSS			
NAME	S.Lewis*		MLeach*		MWeber*		MVirgilio			
DATE	02/08/02		02/11/02		02/11/02		02/22/02			

*See Previous Concurrence

OFFICIAL RECORD COPY

Certified Mail
Return Receipt Requested

SIGHT DRAFT - LETTER OF CREDIT

DRAWN UNDER: American National Bank and Trust Company of Chicago LETTER OF CREDIT NO. 60706650 DATED AUGUST 22, 1995, for the Account of Fansteel, Inc.

DATE: February 27, 2002

At sight, Pay to the Order of: U.S. Nuclear Regulatory Commission, as beneficiary under Standby Trust No. 2740 at Bank of Waukegan

By wire transfer of immediately available funds:

TO: Bank of Waukegan
Trust Department

To credit account number: Standby Trust No. 2740

U.S. \$750,000.00

Seven Hundred Fifty Thousand and 00/100 U.S. Dollars

TO: Bank of Waukegan
Trust Department
161 North Lewis Avenue
Waukegan, Illinois 60085-1761

U.S. Nuclear Regulatory Commission

Drawn under American National Bank and Trust Co. of Chicago, Chicago, IL, Letter of Credit No. 60706650, dated August 22, 1995, and the total of this draft and all other drafts previously drawn under this letter of credit does not exceed U.S. \$750,000.00. I, a representative of the U.S. Nuclear Regulatory Commission, certify that the amount of the draft is payable pursuant to regulations issued under the authority of U.S. Nuclear Regulatory Commission.

By: /RA/
Martin J. Virgilio, Director
Office of Nuclear Material Safety
and Safeguards
U.S. Nuclear Regulatory Commission

Certified Mail
Return Receipt Requested