

July 1, 2003

MEMORANDUM TO: Thomas McLaughlin, Project Manager
Section B
Decommissioning Branch, NMSS/DWM

FROM: Thomas Fredrichs, Project Manager ***/RA/***
Section B
Decommissioning Branch, NMSS/DWM

SUBJECT: REVIEW OF MOLYCORP 2003 PARENT COMPANY GUARANTEE OF
FINANCIAL ASSURANCE FOR DECOMMISSIONING

By letter dated March 31, 2003, Molycorp, Inc. submitted a parent company guarantee and financial test demonstration provided by Union Oil Company of California, in the amount of \$34,090,000. The submission assures decommissioning costs of \$30,265,000 for license SMB-1393 in Washington, Pennsylvania, issued under 10 CFR Part 40, and \$3,825,000 for license SMB-1408 in York, Pennsylvania, issued under 10 CFR Part 40. The submission includes a single chief financial officer (CFO) letter, chief executive officer (CEO) letter, financial test demonstration, auditor's special report, and parent company guarantee addressing both licenses.

The staff found that the licensee's financial assurance submittal satisfied regulatory requirements. No further action is required at this time.

Docket No.: 04009015, 04008794
License No.: SMB-1393, SMB-1408

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