January 13, 2006

Mr. Oscar Paulson
Facility Supervisor
Sweetwater Uranium Facility
Kennecott Uranium Company
P.O. Box 1500
Rawlins, WY 82301-1500

SUBJECT: EXECUTED 2005 SURETY UPDATE AND FIFTH STANDBY TRUST AGREEMENT, KENNECOTT URANIUM COMPANY, SWEETWATER URANIUM PROJECT - SOURCE MATERIALS LICENSE SUA-1350 (TAC L60488)

Dear Mr. Paulson:

By letter dated October 27, 2005, Kennecott Uranium Company (KUC), Rawlins, Wyoming, submitted to U.S. Nuclear Regulatory Commission (NRC) staff an updated surety instrument. NRC staff reviewed the submittal, and by letter dated December 12, 2005, informed KUC of an error in a reference found in Section 17 of the Fifth Standby Trust Agreement (the Agreement). KUC forwarded a page change to NRC staff on December 21, 2005, which has been incorporated into the Agreement.

With this change, NRC staff has determined that the updated surety documents are acceptable and has executed the Agreement. As requested, enclosed are two executed originals of the Agreement. If you have any questions, please contact me at 301-415-7182 or by e-mail at sjc7@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's Agencywide Document Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at http://www.nrc.gov/NRC/reading-rm/adams.html.

Sincerely,

\RA\

Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-8584
License No.: SUA-1350

Enclosure: Fifth Standby Trust Agreement (2 originals) (Enclosure not publicly available.)

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