

**PAYMENT SURETY BOND**

Date bond executed: January 11, 1993  
Effective date: January 11, 1993  
Principal: Kerr-McGee Corporation  
Kerr-McGee Center  
Oklahoma City, Oklahoma  
Type of Organization: Corporation  
State of Incorporation: Delaware  
NRC License Number: SNM-1999  
Name and Address  
of Facility: Cushing Facility  
Cushing, Oklahoma

**CANCELLED**

Amount(s) for  
decommissioning activity  
guaranteed by this bond: \$2,168,000

Surety(ies): Safeco Insurance Company of America  
Safeco Plaza  
Seattle, Washington

Type of organization: Corporation

State of Incorporation: Washington

Licensed and qualified surety in the State of Oklahoma.

Surety's bond number: 2971100-2599

Total penal sum of bond: \$2,168,000

Know all persons by these presents, That we, the Principal and Surety(ies) hereto, are firmly bound to the U.S. Nuclear Regulatory Commission (hereinafter called NRC), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety; but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS, the U.S. Nuclear Regulatory Commission, an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 70, applicable to the Principal, which require that a license holder or an applicant for a facility license provide financial assurance that funds will be available when needed for facility decommissioning;

NOW, THEREFORE, the conditions of the obligation are such that if the Principal shall faithfully, before the beginning of decommissioning of each facility identified above, fund the standby trust fund in the amount(s) identified above for the facility;

Or, if the Principal shall fund the standby trust fund in such amount(s) after an order to begin facility decommissioning is issued by the NRC or a U.S. District Court or other court of competent jurisdiction;

Or, if the Principal shall provide alternative financial assurance and obtain the written approval of the NRC of such assurance, within 30 days after the date a notice of cancellation from the Surety(ies) is received by both the Principal and the NRC, then this obligation shall be null and void; otherwise it is to remain in full force and effect.

The surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by the NRC that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the standby trust fund.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and to the NRC provided, however, that cancellation shall not occur during the 90 days beginning on the date of receipt of the notice of cancellation by both the Principal and the NRC, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the NRC and to Surety(ies) 90 days prior to the proposed date of termination, provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond from the NRC.

**CANCELLED**

The Principal and Surety(ies) hereby agree to adjust the penal sum of the bond yearly so that it guarantees a new amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without the written permission of the NRC.

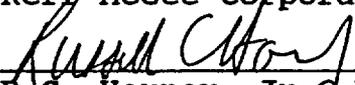
If any part of this agreement is invalid, it shall not affect the remaining provisions which will remain valid and enforceable.

In Witness Whereof, the Principal and Surety(ies) have executed this financial guarantee bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies)

PRINCIPAL

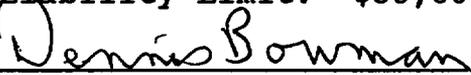
Kerr-McGee Corporation

  
R.G. Horner, Jr., V.P.

[Corporate Seal]

CORPORATE SURETY

Safeco Insurance Company of America  
Safeco Plaza  
Seattle, Washington 98185  
State of Incorporation: Washington  
Liability Limit: \$58,606,000

  
Dennis Bowman, Attorney-in-Fact

[Corporate Seal]

**CANCELLED**

[For every co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety(ies) above.]

Bond Premium: \$5,962.00



POWER OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98185

No. 5983

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint ROGER L. MILLER; RODMAN A. FRATES; R. C. HASKEL; KATHY WILKINS; KAY F. LOVETT; W. T. CARTER; DENA BURTON; DENNIS BOWMAN, Oklahoma City, Oklahoma

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 4th day of January, 19 93

Handwritten signatures of the attorneys-in-fact.

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out, (i) The provisions of Article V, Section 13 of the By-Laws, and (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and (iii) Certifying that said power-of-attorney appointment is in full force and effect, the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, R. A. Pierson, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation this 11th day of January, 19 93



CANCELLED stamp and signature of R. A. Pierson.

ORIGINAL

SAFECO INSURANCE COMPANY OF AMERICA  
SAFECO PLAZA  
SEATTLE, WASHINGTON 98185

INCREASE RIDER

To be attached to and made a part of Bond No. 2971100-2599 issued by SAFECO INSURANCE COMPANY OF AMERICA as Surety, on behalf of KERR-MCGEE CORPORATION, as Principal in favor of the UNITED STATES NUCLEAR REGULATORY COMMISSION, as Obligee, and dated the 11th day of January, 1993.

In consideration of the premium charged for the attached bond and other good and valuable consideration, it is understood and agreed that effective the 10th day of August, 1998 and subject to all the terms, conditions, and limitations of the attached bond, the penal sum thereof shall be and the same is hereby increased from the sum of

TWO MILLION ONE HUNDRED SIXTY EIGHT THOUSAND DOLLARS AND NO/100 (\$2,168,000.00)

to the sum of

EIGHTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS AND NO/100 (\$18,500,000.00)

It is further understood and agreed that subject to all the terms, conditions, and limitations of the attached bond, the aggregate liability of the Surety for any loss occurring prior to said date shall not exceed the sum of TWO MILLION ONE HUNDRED SIXTY EIGHT THOUSAND DOLLARS AND NO/100 (\$2,168,000.00) or for any loss occurring subsequent to said date shall not exceed the sum of EIGHTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS AND NO/100 (\$18,500,000.00).

In no event, however, shall the aggregate liability of the Surety exceed the larger of the aforementioned sums, it being the intent hereof to preclude cumulative liability.

Signed, sealed, and dated this 10th day of August, 1998.

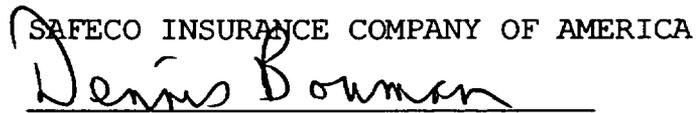
Attest:

  
Don Hager, Ass't Sec.

KERR-MCGEE CORPORATION

  
Russell G. Horner, Jr.,  
Senior Vice President, Secretary  
and General Counsel

**CANCELLED**

SAFECO INSURANCE COMPANY OF AMERICA  
  
Dennis Bowman, Attorney-in-Fact



POWER OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98105

No. 5983

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint \*\*\*ROGER L. MILLER; RODMAN A. FRATES; KAY F. LOVETT; W. T. CARTER; DENA BURTON; DENNIS BOWMAN; THOMAS CHANDLER, Oklahoma City, Oklahoma\*\*\*\*\*

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 4th day of January, 1993

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
(iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof.

I, R. A. Pierson, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

CANCELLED

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 10th day of August, 1998

SAFECO INSURANCE COMPANY OF AMERICA  
SAFECO PLAZA  
SEATTLE, WASHINGTON 98185

DECREASE RIDER

To be attached to and made a part of Bond No. 2971100-2599 issued by SAFECO INSURANCE COMPANY OF AMERICA, as Surety, on behalf of KERR-MCGEE CORPORATION, as Principal, in favor of the UNITED STATES NUCLEAR REGULATORY COMMISSION, as Obligee, and dated the 11th day of January, 1993.

In consideration of the premium charged for the attached bond and other good and valuable consideration, it is understood and agreed that effective the 10th day of February, 2004 and subject to all the terms, conditions, and limitations of the attached bond, the penal sum thereof shall be and the same is hereby decreased from the sum of

EIGHTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS AND NO/100 (\$18,500,000.00)

to the sum of

NINE MILLION EIGHT HUNDRED THOUSAND DOLLARS AND NO/100 (\$9,800,000.00)

It is further understood and agreed that subject to all the terms, conditions, and limitations of the attached bond, the aggregate liability of the Surety for any loss occurring prior to said date shall not exceed the sum of EIGHTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS AND NO/100 (\$18,500,000.00) or for any loss occurring subsequent to said date shall not exceed the sum of NINE MILLION EIGHT HUNDRED THOUSAND DOLLARS AND NO/100 (\$9,800,000.00).

In no event, however, shall the aggregate liability of the Surety exceed the larger of the aforementioned sums, it being the intent hereof to preclude cumulative liability.

Signed, sealed, and dated this 10th day of February, 2004.

Attest

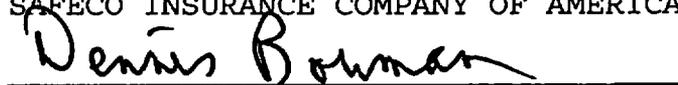
  
John F. Reichenberger, Vice  
President, Deputy General  
Counsel & Assistant Secretary

KERR-MCGEE CORPORATION

  
Elizabeth T. Wilkinson, Vice President  
& Treasurer

**CANCELLED**

SAFECO INSURANCE COMPANY OF AMERICA

  
Dennis Bowman, Attorney-in-Fact



POWER OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98185

No. 5983

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\*\*\*\*\*RODMAN A. FRATES; KAY F. LOVETT; W. T. CARTER; DENNIS BOWMAN; THOMAS CHANDLER; Oklahoma City, Oklahoma\*\*\*\*\*

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 30th day of January, 2003

Handwritten signature of Christine Mead

CHRISTINE MEAD, SECRETARY

Handwritten signature of Mike McGavick

MIKE MCGAVICK, PRESIDENT

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

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- (i) The provisions of Article V, Section 13 of the By-Laws, and
(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
(iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Christine Mead, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 10th day of February, 2004



CANCELLED
Handwritten signature of Christine Mead

CHRISTINE MEAD, SECRETARY