



Lisa M. Lemanczyk
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March 28, 2007

U.S. Nuclear Regulatory Commission
11545 Rockville Pike
Rockville, Maryland 20852
Attn: Larry W. Camper
OWFN 13 – Mailstop 013D13

Dear Mr. Camper:

Enclosed, please find the following documents of financial assurance submitted on behalf of our subsidiary, Molycorp, Inc.:

1. Letter from Chief Financial Officer (CFO) of the parent company, Chevron Corporation, including the financial test alternative II.
2. Letter from Chief Financial Officer of Chevron Corporation.
3. 2006 Chevron Form 10-K containing our Report of Independent Registered Public Accounting Firm.
4. Accountant's Special Report.
5. Parent company guarantee for decommissioning activities.

The post-closure costs have been increased by 2.9%, which is the estimated inflation factor as of February, 2007. Please note that on August 10, 2006, Chevron Corporation acquired Unocal Corporation. Accordingly, this submission includes Unocal's submissions and Unocal's financials have been integrated into Chevron's 10-K.

If you have any questions, please call me at the above phone.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa M. Lemanczyk", written over a printed name.

Lisa M. Lemanczyk

Attachments



Stephen J. Crowe
Vice President and
Chief Financial Officer

Chevron Corporation
6001 Bollinger Canyon Road
San Ramon, CA 94583-2324
Tel (925) 842-3232
Fax (925) 842-6047

March 28, 2007

U.S. Nuclear Regulatory Commission
11545 Rockville Pike
Rockville, Maryland 20852
Attn: Larry W. Camper
OWFN 13 – Mailstop 013D13

Re: Chief Financial Officer Letter for License No. SMB - 1393

Dear Mr. Camper:

I am the Chief Financial Officer of Chevron Corporation, 6001 Bollinger Canyon Road, San Ramon, California. This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in 10 CFR Part 40.

This firm guarantees, through the parent company guarantee submitted to demonstrate compliance under 10 CFR Part 40, the decommissioning of the following facilities owned or operated by subsidiaries of this firm. The current cost estimates or certified amounts for decommissioning, so guaranteed, are shown for each facility:

Name of	License	Location of	Certified Amounts Or Current
<i>Facility</i>	<i>Number</i>	<i>Facility</i>	<i>Cost Estimates</i>
Molycorp, Inc.	SMB - 1393	300 Caldwell Avenue Washington, PA 15301	\$31,890,109

This firm is required to file a Form 10-K with the U.S. Securities and Exchange Commission for the latest fiscal year.

This fiscal year of this firm ends on December 31. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements and footnotes for the latest completed fiscal year, ended December 31, 2006. A copy of this firm's most recent financial statements is enclosed.

PARENT COMPANY GUARANTEE FINANCIAL TEST II

1. Current decommissioning cost estimates or certified amounts
 - a. Decommissioning amounts covered by this parent company guarantee \$31,890,109


- | | | |
|-------|--|---------------|
| b. | All decommissioning amounts covered by other
NRC or Agreement State parent company
guarantees or self-guarantees | \$ <u>0</u> |
| c. | All amounts covered by parent company guarantees,
self-guarantees, or financial tests of other Federal
or State agencies (e.g., EPA) | \$350,250,196 |
| TOTAL | | \$382,140,305 |
-
2. Current bond rating of most recent unsecured issuance of this firm
Rating AA
Name of rating service Standard & Poor's
 3. Date of issuance of bond February 12, 2003
 4. Date of maturity of bond February 15, 2008
 5. Tangible net worth* (if any portion of estimates for decommissioning
is included in total liabilities on your firm's financial statements, you may
add the amount of that portion to this line) \$63,970,338,000**
 6. Total assets in United States (required only if less than 90 percent of firm's
assets are located in the United States) \$45,258,000,000**
- | | Yes | No |
|--|-----|-----|
| 7. Is line 5 at least \$10 million? | X | ___ |
| 8. Is line 5 at least 6 times line 1? | X | ___ |
| 9. Are at least 90 percent of firm's assets located
in the United States? If not, complete line 10. | ___ | X |
| 10. Is line 6 at least 6 times line 1? | X | ___ |
| 11. Is the rating specified on line 2 "BBB" or better (if issued by
Standard & Poor's) or "Baa" or better (if issued by Moody's)? | X | ___ |

* Tangible net worth is defined as net worth minus goodwill, patents, trademarks, and copyrights.

** Denotes figures derived from financial statements.

U.S. Nuclear
Regulatory Commission
March 28, 2007
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I hereby certify that the content of this letter is true and correct to the best of my knowledge.

Signature 

Stephen J. Crowe
Vice President and Chief Financial Officer
March 28, 2007

Report of Independent Accountants

To the Board of Directors of Chevron Corporation:

We have performed the procedures enumerated below, which were agreed to by the management of the Company, solely to assist you in respect to certain financial information included in the letter dated March 28, 2007 from the Vice President, Finance of the Company to the U.S. Nuclear Regulatory Commission (the "Letter"). The management of the Company is responsible for the financial information included in the Letter. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. We recalculated all formulas included in the Letter to determine mathematical accuracy and found no differences.
2.
 - a. We compared the Net Worth of the Company at December 31, 2006, as stated in the enclosed Schedule A, to amount set forth as *Total Stockholders' Equity* in the consolidated financial statements included in the Company's 2006 Annual Report on Form 10-K. We found no difference.
 - b. We compared the Intangible Assets of the Company at December 31, 2006, as stated in the enclosed Schedule A, to a supporting schedule prepared by the Company from its accounting records. We also recalculated the mathematical accuracy of the supporting schedule. We found no exceptions as a result of the procedures.
 - c. We compared the Tangible Net Worth of the Company, as stated in Schedule A, to the corresponding amount as stated in the Letter. We found no difference.
3. We compared the Total Assets in the U.S. of the Company at December 31, 2006, which amounted to \$45,258,000,000, to the amount set forth as *Total Assets – United States* in Note 8 to the consolidated financial statements included in the Company's 2006 Annual Report on Form 10-K. We found no difference.

The Board of Directors of Chevron Corporation

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4. We recalculated the percentage of the Total Assets in the U.S., as stated in 3 above, of the amount set forth as *Total Assets* in the consolidated balance sheet included in the Company's 2006 Annual Report on Form 10-K and agreed that this percentage is less than 90%.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the specified elements, accounts, or items referred to in 1 to 4 above. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Company and the U.S. Nuclear Regulatory Commission, and is not intended to be and should not be used by anyone other than these specified parties.

Pricewaterhousecoopers LLP

March 28, 2007

Schedule A

Tangible Net Worth of Chevron Corporation at December 31, 2006.

Net Worth	\$ 68,934,691,000
Intangible Assets	<u>(4,964,353,000)</u>
Tangible Net Worth of Chevron Corporation	<u>\$ 63,970,338,000</u>