

WESTERN NUCLEAR, INC.
2801 Youngfield, Suite 340
Golden, Colorado 80401
(303) 274-1767 Fax: (303) 274-1762

Lawrence J. Corte
President & General Manager

September 24, 2008

UPS OVERNIGHT

Mr. Richard Chang
Project Manager / Special Projects Branch
Decommissioning and Uranium Recovery Licensing Directorate
U.S. Nuclear Regulatory Commission
11545 Rockville Pike
Rockville, Maryland 20852

RE: 2008 Surety Update / SUA-56 Split Rock Millsite / License Condition #29

Dear Mr. Chang,

I am the President of Western Nuclear, Inc., a wholly owned subsidiary of Phelps Dodge Corporation, which is in turn a wholly owned subsidiary of Freeport-McMoRan Copper & Gold, Inc. (the "Company"). This letter is to update the current surety amount for the Split Rock Millsite, near Jeffrey City, Wyoming, which is ready for transfer to the United States upon acceptance by the US Department of Energy.

The current surety amount of \$989,750 (License Amendment 102, dated November 30, 2007) should be adjusted for inflation by applying the percent difference between the July 2007 CPI (208.299) and the August 2008 CPI (219.086) as follows:

$$[(219.086 - 208.299) \div 208.299] = 0.051786 \qquad \$989,750 \times 1.051756 = \$1,041,006$$

The Company's use of the financial test to demonstrate financial assurance using a parent company guarantee is consistent with NRC's 1998 *Technical Position on Financial Assurances for Reclamation, Decommissioning, and Long-Term Surveillance and Control of Uranium Recovery Facilities* ("Technical Position"). The financial resources of the Company have not changed significantly since Year End 2007. (The Company's Form 10-K for the year ended 12/31/07 was submitted along with the Certificate of Parent Company's Compliance in a letter to NRC dated March 24, 2008.)

The Company guarantees, through a parent company guarantee submitted to demonstrate compliance under 10 CFR Part 40, including Appendix A, and the above-mentioned NRC Technical Position, the decommissioning of the following facility owned and operated by a subsidiary of this Company.

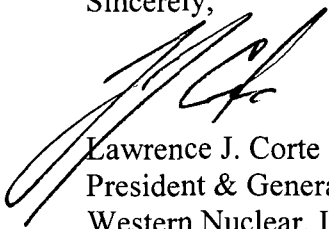
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The current cost estimates or certified amounts for decommissioning, so guaranteed, are shown for such facility:

<u>Name and Location</u>	<u>License Number</u>	<u>Certified Amounts or Current Cost Estimates</u>
Western Nuclear, Inc. Split Rock Millsite 22 Ore Road Jeffrey City, Fremont County Wyoming 82310	SUA – 56	\$ 1,041,006

I hereby certify that the content of this letter is true and correct to the best of my knowledge.
Please contact me at your convenience if you have any questions regarding this submittal.

Sincerely,



Lawrence J. Corte
President & General Manager
Western Nuclear, Inc.