



OFFICE OF ATTORNEY GENERAL
STATE OF OKLAHOMA

11 May 2009

via e-mail

Al Gutterman
Morgan, Lewis & Bockius, LLP
1800 M Street, N.W.
Washington, D.C. 20036-5869

Re: Sequoyah Fuels Corporation, Docket No. 040-8027

Dear Al:

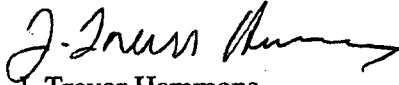
The State of Oklahoma just recently received the **Final Safety Evaluation Report** "SER" for the Sequoyah Fuels Corporation ("SFC") Site, dated April 20, 2009. Also attached to the SER was a letter from the NRC approving SFC's license amendment which may authorize SFC to begin to implement the Reclamation Plan. As you know, the State was not aware that the license amendment would be issued concurrently with the Final Safety Evaluation Report. The State will be contacting NRC about, among other things, the lack of public notice regarding the license amendment.

As we discussed in our previous telephone conversations, the State believes that the issuance of the SER triggers certain responsibilities under the parties Settlement Agreement. Specifically, section V. A.1.a.(iv) states:

"Within two months after the NRC completes its Technical Evaluation Report for the RP, SFC will prepare and provide to State, CN and NRC, an updated assessment of the available offsite disposal locations, SFC's financial resources, and the estimated costs of such offsite disposal and reclamation..."

The State looks forward to receiving such an assessment from SFC. Please let me know if your understanding of the Settlement Agreement is different or if SFC does not intend to provide such an assessment.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. Trevor Hammons", with a stylized flourish at the end.

J. Trevor Hammons
Assistant Attorney General

cc. Martha Penisten, ODEQ
Sarah Hill, Cherokee Nation
Kenneth Kalman, Nuclear Regulatory Commission