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July 28, 2009

Mr. Keith McConnell, Deputy Director
Decommissioning and Uranium Recovery Licensing Directorate
U.S. Nuclear Regulatory Commission
Mail Stop T-7E18
Washington, DC 20555-0001

Dear Mr. McConnell:

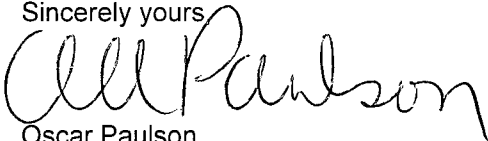
**Subject: Docket Number: 040-08584 – Source Material License SUA-1350
License Condition 9.7 – Surety Submittal/Five (5) Year Rebaselining**

Enclosed please find the *2009 Surety Rebaselining Report* for the Sweetwater Uranium Project, Source Material License SUA-1350. An annual surety update is required by License on or before July 30 of each year (three (3) months prior to the anniversary date (October 30) of the approved surety arrangement) pursuant to License Condition 9.7. In addition, every five (5) years the surety must be rebaselined to current costs.

The enclosed 2009 Surety Rebaselining Report rebaselines the site's surety to current costs. The new proposed surety amount is \$9,795,000. rounded to the nearest \$1,000. The facility remains on standby. Its operational status has not changed since the previous surety submittal dated July 23, 2008. In addition, the facility's operating status has not changed since the last surety rebaselining submitted on May 25, 2004.

If you have any questions please do not hesitate to contact me.

Sincerely yours



Oscar Paulson
Facility Supervisor

Cc: James Webb (2 copies)
 Director, DMSS, Region IV
 Darryl Maunder
 Jack Welch
 Rich Atkinson