

September 23, 2009

Mr. Larry Teahon
Manager of Environmental
Health and Safety
Crow Butte Resources, Inc.
86 Crow Butte Road
P.O. Box 169
Crawford, NE 69339-0169

SUBJECT: REQUEST FOR U.S. NUCLEAR REGULATORY COMMISSION AUTHORITY
AUTHORIZATION TO REPLACE IRREVOCABLE STANDBY LETTER OF
CREDIT

Dear Mr. Teahon:

By letter dated August 11, 2009, Crow Butte Resources, Inc., submitted to the U.S. Nuclear Regulatory Commission (NRC) staff a request to authorize the replacement of their Irrevocable Standby Letter of Credit (letter of credit, or LOC), through the Royal Bank of Canada (New York Branch), with a LOC, through the Bank of Montreal (BMO), Chicago, Illinois, in the amount of \$25,207,672.00. This letter documents NRC staff's review of this request.

As a result of our review of the LOC, through BMO, NRC staff has concluded that it does not meet the requirements of License Condition 9.5 of Source Material License No. SUA-1534. Specifically, the proposed replacement LOC does not identify the NRC-related portion of the surety amount, nor does it fully address the specified costs associated with reclamation and closure activities such as offsite disposal. Please address these deficiencies and submit a revised LOC for NRC staff approval.

If you have any questions, please contact Mr. Ronald Burrows, Project Manager, at 301-415-6443 or, by e-mail at Ronald.Burrows@nrc.gov.

L. Teahon

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In accordance with 10 CFR 2.390 of the NRC's Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders, a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's Agency-wide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

/RA/

Ronald A. Burrows, Project Manager
Decommissioning and Uranium Recovery
Licensing Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket No.: 40-8943
License No.: SUA-1534

cc: Stephen Collings, CBR
Michael Linder, NDEQ

L. Teahon

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Ronald A. Burrows, Project Manager
Decommissioning and Uranium Recovery
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Michael Linder, NDEQ

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