

February 14, 2011

JP Morgan Chase Bank, N.A.  
c/o JP Morgan Treasury Services  
ATTN: James Alonzo, Standby  
Letter of Credit Dept.  
10420 Highland Manor Drive, 4th Floor  
Tampa, FL 33610

SUBJECT: STANDBY LETTER OF CREDIT NUMBER XXXXXX, CANCELLATION

Dear Mr. Alonzo:

The above-referenced Letter of Credit (LOC) was issued by Bank One, N.A., for the benefit of the U.S. Nuclear Regulatory Commission (NRC) at the request of Cimarron Corporation, as required by Title 10 of the *Code of Federal Regulations*, Part 70, Section 25, Paragraph (e) [10 CFR 70.25(e)]. The U.S. Department of Justice has advised us to provide you with the original LOC and all amendments for cancellation. We have been informed by JP Morgan Chase Bank that the above referenced LOC has one amendment. We do not have an original copy of Amendment Number 1 to the above referenced LOC.

By this letter, we hereby consent to the cancellation of the enclosed LOC. The cancellation of the LOC is only effective upon the effective date of the Cimarron Environmental Settlement Agreement, which was lodged with the United States Bankruptcy Court Southern District of New York on November 23, 2010, and only on the condition that the \$3,600,000 (three million, six hundred thousand and 00/100 United States Dollars) held as collateral for the LOC be transferred to the Standby Trust dated March 31, 2002, which was issued by Bank One Trust Company as required by 10 CFR 70.25(e)(ii), consistent with the Settlement Agreement.

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 Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

J.Alonzo

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Upon receipt of this letter by the JP Morgan Chase Bank, kindly call Mr. Kenneth Kline at 301-415-7075.

Sincerely,

**/RA/**

Charles L. Miller, Director  
Office of Federal and State Materials  
and Environmental Management Programs

License No.: SNM-928  
Docket No.: 70-0925

Enclosure: LOC

J.Alonzo

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Sincerely,

Charles L. Miller, Director  
Office of Federal and State Materials  
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License No.: SNM-928  
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Enclosure: LOC

Distribution:

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<b>NAME</b>	RPrzygodzki	KKline	KKalman	LChang	PMichalak
<b>DATE</b>	2/1/11	2/1/11	2/1/11	2/8/11	2/11/11
<b>OFFICE</b>	DURLD	DWMEP	OGC	TechEd	FSME
<b>NAME</b>	PMichalak KMcConnell	LCamper	BJones via email	CPoland	CMiller
<b>DATE</b>	2/11/11	2/11/11	2/10/11	2/14/11	2/14/11

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