



BlueCastleProject

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March 8, 2011

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555-0001

Attn: Mr. David B. Matthews, Director
Division of New Reactor Licensing
Office of New Reactors

Mr. Scott Flanders, Director
Division of Site and Environmental Reviews
Office of New Reactors

Re: Blue Castle Holdings, Inc.
Submittal of ESP and COL Application
Blue Castle Generation Project

We are pleased to update our previous letter on the continued development of the Blue Castle Project. Our management structure has not changed with our recent acquisition of Willow Creek LLC. (WC); WC is now a wholly owned subsidiary of Blue Castle Holdings Inc. The original principal executives continue to direct the company, with Aaron Tilton as CEO and President of Blue Castle Holdings (BCH), Tom Retson as Chief Operations Officer and Nils Diaz as Chief Strategic Officer.

Blue Castle Holdings continues to develop and solidify assets directed to implement its business model, which is focused on enabling the deployment of a two-unit nuclear power plant, the Blue Castle Project, at our preferred site located near Green River in East-Central Utah. It is the intention of Blue Castle Holdings to submit an Early Site Permit application to the Nuclear Regulatory Commission by the fall of 2012 for the Blue Castle Project (BCP), and to commence pre-application activities in the very short term. We expect to be fully engaged in licensing application activities requiring NRC review by October 1st, 2011. The ESP application will envelop multiple selected reactor technologies. Furthermore, we intend to submit a COL application referencing the ESP and the selected reactor technology -with a certified design- within 12 to 18 months after ESP submittal.

A summary of important milestones have been achieved or are in final stages of completion for the Blue Castle Project, including:

- The acquisition of WC was completed in December 2010, which provides a broader economic and business infrastructure to the company, and is already providing needed preliminary stage infrastructure work for the proposed nuclear project site.
- BCH has leased 53,600 acre-feet per year of water to service the Blue Castle Project two-unit nuclear generating station. The lease water supplies were previously assigned for use

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in future coal-fired power plants, from Utah's allocation of the Upper Colorado Basin. The application to change the point of diversion has undergone requisite public hearing and reviews by the Utah State Water Engineer; a decision is expected near term.

- BCH has executed a land purchase agreement.
- BCH has contracted with ENERCON to prepare, submit, QA and manage the Early Site Permit (ESP) application, with an option to carry out substantial portions of the COL application, supported by a reactor vendor with an NRC certified design.
- BCH has begun the preparation for the ESP license application for the Blue Castle Project. The BCP ENERCON licensing team was on site during the first week of February 2011, and a 60 meter meteorological tower has been erected and anchored on site. A geological program including a regional geologic survey, borings, test probing, geophysical surveys, seismology and other site studies will begin after the middle of March, once the required QA program is established.
- BCH is currently conducting a preliminary evaluation of reactor technologies that have received or are scheduled to receive NRC Design Certification in the near term, within the current licensing application timeframe. In this regard, we have already invited and received expressions of interest from vendors, and are evaluating their replies.

In summary, BCH respectfully requests to initiate ESP pre-application activities with the NRC for the Blue Castle Project, as early as your schedule permits. In this regard, we would like to schedule a visit of BCH principals with the staff at your earliest convenience, to ensure we establish now the appropriate communication channels to fulfill NRC requirements and maintain the project on schedule. We intend to schedule courtesy visits with the Chairman and the Commissioners on the same timeframe. Following our visit with the staff, the BCH ENERCON licensing team would like to visit with the staff and plan pre-application activities, which would include planning a public meeting on an appropriate schedule.

If you have any questions regarding the activities or the schedule being developed, please contact Mr. Tom Retson at (910)256-8477.

Sincerely yours,



Aaron J. Tilton
President and CEO
Blue Castle Holdings, Inc.

cc: Tom Retson, BCH
Dr. Nils Diaz, BCH
Bob Evans, ENERCON