

FREEMPORT-McMoRAN

Freeport-McMoRan Inc.
333 North Central Avenue
Phoenix, AZ 85004

Jerry Roose
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October 14, 2014

40-1162

Dominick Orlando, Senior Project Manager
U.S. Nuclear Regulatory Commission
Mailstop T-8 F-5
Washington, DC 20555-0001

Document Control Desk
U.S. Nuclear Regulatory Commission
Mailstop T-8 F-5
Washington, DC 20555-0001

Re: Financial Assurance Update and Notice of Confidential Commercial Information in Financial Documents Submitted Pursuant to Western Nuclear, Inc.'s Split Rock Facility located in Jeffery City, Wyoming – NRC License # SUA-56

Dear Mr. Orlando,

Western Nuclear, Inc. ("WNI") hereby submits the financial information required by the above-referenced license to demonstrate financial assurance for its Split Rock Facility to the U.S. Nuclear Regulatory Commission ("NRC"). Specifically, I have enclosed the following documents and information:

- 1. Response to and compliance with the June 23, 2014 Nuclear Regulatory Commission (NRC) request for additional information (ML14160B46), which is further referenced in your letter dated September 10, 2014, through the attached Fully Executed Parent Company Guarantee Agreement for Decommissioning Activities pursuant to LICENSE NO. SUA-56 in which the Company guarantees, through a parent company guarantee submitted herein and dully executed by the Chief Financial Officer of the Company to demonstrate compliance under 10 CFR Part 40 and the NRC Technical Position, as specified in NRC's 1988 Technical Position on Financial Assurances for Reclamation, Decommissioning, and Long-Term Surveillance and Control of Uranium Recovery Facilities.**
2. Letter from the Chief Financial Officer of Freeport-McMoRan Inc. ("FCX"), WNI's parent, and Form 10-K filed with the Securities and Exchange

NMSSDI

Commission (Fiscal year ended December 31, 2013) which includes a copy of an independent certified public accountant's report on page 136;

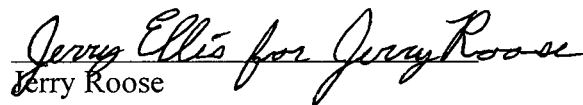
3. Financial Assurance Worksheet (Exhibit A);
4. Total U.S. Assets Schedule, which includes commercially sensitive information submitted under 10 C.F.R. § 2.390 (Attachment A); and
5. A report from FCX's independent certified public accountant comparing the data used by the parent company in the financial test to the requirements of 10 C.F.R. Chapter I, Part 30, Appendix A.II.A.2.

Pursuant to Section 1314 of the Atomic Energy Act (42 U.S.C. § 2167), the Freedom of Information Act (5 U.S.C. § 552), and the rules and regulations promulgated by the NRC (10 C.F.R. § 2.390), FCX hereby designates the enclosed Total U.S. Assets Schedule as confidential commercial information. The Total U.S. Assets Schedule qualifies as confidential commercial information for the reasons set forth in the enclosed affidavit. Accordingly, the document and information should be treated as confidential by the NRC.

Pursuant to the above-referenced authorities, the NRC should maintain the enclosed Total U.S. Assets Schedule as confidential and exempt from disclosure pursuant to the Freedom of Information Act and other public records or disclosure laws. If a request is made for public review of the document or information, the NRC must notify FCX and provide FCX with a reasonable opportunity to substantiate its claim that the information is confidential.

I appreciate the NRC's consideration. If you have any questions, please do not hesitate to contact me directly at 602-366-8458.

Sincerely,


Jerry Roosevelt

Enclosures

Exhibit A
Certificate of Parent Company's Compliance with 10 C.F.R. Part 40 and Part 30 Appendix A
As of December 31, 2013
(in millions)

Parent Company Guarantees

1. a. Amount of Freeport-McMoRan's (Guarantor) guarantee on behalf of Western Nuclear, Inc. for decommissioning the Split Rock Facility	\$1.1
b. All other parent company guarantees, self-guarantees or financial tests of other Federal or State agencies	629.8
c. Total Guarantees (1.a plus 1.b)	\$630.9

Guarantor's Financial Balances and Calculations

2. a. Total Assets	\$63,473
b. Total Assets in the United States	38,895
c. Total Liabilities	37,526
3. Net Worth (including minority interest)(line 2.a minus line 2.c)	\$25,947
a. Goodwill	1,916
b. Other Intangible Assets	380
3c. Total Intangible Assets (3.a plus 3.b)	\$2,296
4. Tangible Net Worth (line 3 minus line 3.c)	\$23,651

FINANCIAL TEST

5. Test (40 C.F.R. Part 30, Appendix A.IIA2.)

	Minimum Criteria	Actual Result	Test Status
			PASS
a. Guarantor's most recently issued senior credit rating with Standard & Poor's at least BBB?	At least BBB	BBB	PASS
b. Is Tangible Net Worth (line 4) at least six times reclamation cost estimates (line 1)?	At least 6	37	PASS
c. Is Tangible Net Worth (line 4) at least \$21 million?	At least \$21	23,651	PASS
d. Are 90% of Guarantor's assets located in the United States? If not, complete line 5.e.	90%	61%	FAIL or
e. Is the amount of Guarantor's assets located in the U.S. (line 2.b) more than six times reclamation cost estimates (line 1)?	More than 6	62	PASS

Cite source or provide other documentation or written explanation for items 2. and 3.

Information reference:

For items 2a, 2c, 3a & 3b

Figures are shown in Freeport-McMoRan Copper & Gold Inc's (FCX) Form 10-K filed with the U.S. Securities and Exchange Commission for the year ended December 31, 2013, commission file number 001-11307-01. See the Consolidated Balance Sheets, page 140 and page 157 for Intangible Assets.

Item. 2b.

Figure is determined from internal FCX information for U.S. assets. See attached supporting schedule.

**PARENT COMPANY GUARANTEE PROVIDED FOR WESTERN NUCLEAR, INC. BY FREEPORT-MCMORAN
INC.**

Guarantee made this October 14, 2014 by Freeport-McMoRan Inc. (Freeport), a corporation organized under the State of Delaware, herein referred to as "guarantor," to the United States Nuclear Regulatory Commission (NRC), beneficiary, on behalf of our subsidiary Western Nuclear, Inc. (WNI) of Split Rock site, 22 Ore Road, Jeffrey City (Freemont County), Wyoming 82310, NRC License No. SUA-56.

Recitals

1. The guarantor has full authority and capacity to enter into this guarantee under its bylaws, articles of incorporation, and the laws of the State of Delaware, its State of incorporation. Guarantor has approval from its Board of Directors to enter into this guarantee.
2. This guarantee is being issued to comply with regulations issued by NRC, an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974. NRC has promulgated regulations in title 10, Chapter I of the *Code of Federal Regulations*, Part 40 which require that a holder of, or an applicant for, a materials license issued pursuant to 10 CFR Part 40 provide assurance that funds will be available when needed for required decommissioning activities.
3. The guarantee is issued to provide financial assurance for decommissioning activities for the WNI Split Rock facility located at 22 Ore Road, Jeffrey City (Freemont County), Wyoming 82310 licensed under NRC License No. SUA-56 as required by 10 CFR Part 40. The decommissioning costs for these activities are as follows: \$1,109,952.
4. The guarantor meets or exceeds the following financial test criteria as delineated in 10 CFR Part 30, Appendix A II.A.2 and agrees to comply with all notification requirements as specified in 10 CFR Part 40 and Appendix A to 10 CFR Part 30.

The guarantor meets the following financial tests:

- (i) A current rating for its most recent bond issuance of AAA, AA, A, or BBB as issued by Standard & Poor's, or Aaa, Aa, A or Baa as issued by Moody's; and
 - (ii) Tangible net worth at least six times the costs covered by financial tests; and
 - (iii) Tangible net worth of at least \$21 million; and
 - (iv) Assets located in the United States amounting to at least 90 percent of total assets or at least six times the costs covered by financial tests
5. The guarantor has majority control of the voting stock for the following licenses covered by this guarantee: WNI, Split Rock site, 22 Ore Road, Jeffrey City (Freemont County), Wyoming 82310, NRC License No. SUA-56.
 6. Decommissioning activities as used below refer to the activities required by 10 CFR Part 40 for decommissioning of the facilities identified above.

7. For value received from WNI, and pursuant to the guarantor's authority to enter into this guarantee, the guarantor guarantees to NRC that if the licensee fails to perform the required decommissioning activities, as required by License No. SUA-56, the guarantor shall:
 - (a) carry out the required activities, or
 - (b) set up a trust fund in favor of the above identified beneficiary in the amount of the current cost estimates for these activities
8. The guarantor agrees to submit revised financial statements, financial test data, and an auditor's special report and reconciling schedule annually within 90 days of the close of the parent guarantor's fiscal year.
9. The guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, it fails to meet the financial test criteria, the licensee shall send within 90 days of the end of the fiscal year, by certified mail, notice to NRC that the licensee intends to provide alternative financial assurance as specified in 10 CFR Part 40. Within 120 days after the end of the fiscal year, the guarantor shall establish such financial assurance if WNI has not done so.
10. The guarantor also agrees to notify the beneficiary promptly if the ownership of the licensee or the parent firm is transferred and to maintain this guarantee until the new parent firm or the licensee provides alternative financial assurance acceptable to the beneficiary.
11. The guarantor agrees that if it determines, at any time other than as described in Recital 9, that it no longer meets the financial test criteria or it is disallowed from continuing as a guarantor, it shall establish alternative financial assurance as specified in 10 CFR Part 30, 40, 70, or 72, as applicable, within 30 days, in the name of WNI unless WNI has done so.
12. The guarantor as well as its successors and assigns agree to remain bound jointly and severally under this guarantee notwithstanding any or all of the following: amendment or modification of license or NRC-approved decommissioning funding plan for that facility, the extension or reduction of the time of performance of required activities, or any other modification or alteration of an obligation of the licensee pursuant to 10 CFR Part 40.
13. The guarantor agrees that all bound parties shall be jointly and severally liable for all litigation costs incurred by the beneficiary, NRC, in any successful effort to enforce the agreement against the guarantor.
14. The guarantor agrees to remain bound under this guarantee for as long as WNI must comply with the applicable financial assurance requirements of 10 CFR Part 40, for the previously listed facilities, except that the guarantor may cancel this guarantee by sending notice by certified mail to NRC and to WNI, such cancellation to become effective no earlier than 120 days after receipt of such notice by both NRC and WNI as evidenced by the return receipts.
15. The guarantor agrees that if WNI fails to provide alternative financial assurance as specified in 10 CFR Part 40, as applicable, and obtain written approval of such assurance from NRC within 90 days after a notice of cancellation by the guarantor is received by both NRC and WNI from the

AFFIDAVIT

STATE OF ARIZONA)
) ss.
County of Maricopa)

I, Kathleen Quirk, being first duly sworn, state as follows:

1. I am Chief Financial Officer.
2. I declare that the enclosed Total U.S. Assets Schedule constitutes confidential information based on the Nuclear Regulatory Commission’s regulations contained in 10 C.F.R. § 2.390. This information is considered confidential by Freeport-McMoRan Inc. (“FCX”); the information contains financial information considered confidential by FCX; the information is being transmitted to NRC in accordance with the 10 C.F.R. § 2.390 to maintain its confidentiality; the information is not available through public sources; and the disclosure of the information will cause substantial harm to FCX’s competitive position.
3. Disclosure of the information subject to this confidential claim could harm FCX’s business interests, including future sale of assets, procurement of insurance, and other business transactions if the information is released to the public.

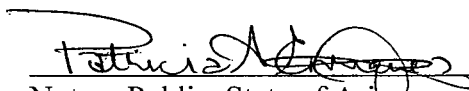
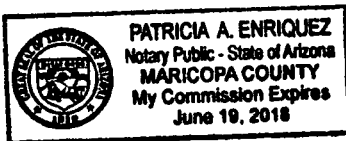
Further Affiant Sayeth Not.

Dated this 14th day of October, 2014.



Kathleen Quirk

SUBSCRIBED AND SWORN TO before me this 14th day of October, 2014.



Notary Public, State of Arizona

My commission expires: June 19, 2018



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Report of Independent Registered Public Accounting Firm on Compliance

To the Board of Directors and Management of
Freeport-McMoRan Inc.

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Freeport-McMoRan Inc. (the Company) as of December 31, 2013, and the related consolidated statements of income, comprehensive income, equity and cash flows for the year then ended, and have issued our report thereon dated February 27, 2014.

In connection with our audit, nothing came to our attention that caused us to believe that the Company failed to comply with the financial requirements of Title 10, Chapter 1, Part 30, Appendix A.II.A.2(i),(ii),(iii),(iv) of the United States Nuclear Regulatory Commission Code of Federal Regulations, insofar as they relate to the accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

We have compared the data identified by the Company in the accompanying letter as having been derived from the audited consolidated financial statements of Freeport-McMoRan Inc. as of and for the year ended December 31, 2013 with the amounts in such financial statements and no matters came to our attention which caused us to believe that the specified data should be adjusted.

This report is intended solely for the information and use of the Board of Directors and Management of Freeport-McMoRan Inc. and the United States Nuclear Regulatory Commission and is not intended to be and should not be used by anyone other than these specific parties.

Ernst & Young LLP

February 27, 2014