

January 22, 2015

Mr. Lawrence J. Corte  
President and General Manager  
Western Nuclear Incorporated  
28011 Youngfield Street, Suite 340  
Golden, CO 80401

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION STAFF RESPONSE TO WESTERN NUCLEAR INCORPORATED'S (WNI'S) REQUEST FOR ADDITIONAL TIME TO RESPOND TO THE NRC STAFF REQUEST FOR ADDITIONAL INFORMATION REGARDING WNI'S 2014 ANNUAL SURETY UPDATE (DOCKET NUMBER 040-01162)

Dear Mr. Corte:

I am writing in response to your email, dated January 12, 2015 (Agencywide Document Access and Management System (ADAMS) Accession Number ML15015A093), requesting an extension to the January 17, 2015 date for submitting information requested in the U.S. Nuclear Regulatory Commission (NRC) staff's December 17, 2014 letter regarding the 2014 surety update for Western Nuclear Incorporated's (WNI's) Split Rock, Wyoming site (ML14338A505). In your email you state that you will be unable to provide the information because much of the information requested by the NRC staff is being developed to support WNI's parent company, Freeport-McMoRan Copper and Gold's, 2014 year-end financial statements and the information will not be available until April 2015.

The NRC staff has reviewed your request, and we have concluded that your request is reasonable because using 2013 information to develop the Parent Company Guarantee would require submission of the 2014 information soon after the staff had approved the new Parent Company Guarantee that was developed using the 2013 information. However, we are concerned that this, and other recent requests by the NRC staff to WNI to provide information necessary to complete various licensing actions for the Split Rock site, have not been addressed in a timely manner.

For example, our December 17, 2014, letter requested that WNI provide the requested information within 30 days of the date of the letter or provide an alternate schedule for submission of the information within 15 days. Your email states that the Freeport year-end financial statement development has been done on the same calendar period every year (i.e., now) for many years. Therefore, as you were aware of the Freeport schedule for developing the year-end financial information, it is unclear why you did not request the extension within 15 days of the date of our December 17, 2014 letter.

In addition, in our June 23, 2014 letter regarding the 2014 surety update, NRC staff requested that WNI provide a Standby Trust Agreement that is acceptable to the NRC in accordance with 10 CFR Part 40, Appendix A Criterion 9 (ML14160B046). Your October 14, 2014, response to our letter did not include a standby trust agreement, nor did it acknowledge that this had been requested by the NRC staff (ML14294A115). As the Standby Trust Agreement is separate from the Parent Company Guarantee, it is not clear why you have not provided the Standby Trust Agreement for NRC staff review.

Finally, NRC has requested additional information to complete our review and, if appropriate, approval, of the indirect change of control that occurred in 2007 (ML14301A290). To date, you have not responded to this request nor have you indicated when you expect to provide the information. Note that the approval of the indirect change of control, in addition to being a regulatory requirement, is also important to the approval of the Freeport-McMoRan Parent Company Guarantee.

The lack of approval of the indirect change of control, the need to establish an acceptable Parent Company Guarantee and a Standby Trust Agreement raises issues that must be resolved as soon as possible in order to ensure that WNI is in full compliance with NRC regulations. Therefore, while your request for an extension, until April 20, 2015, for the submission of the Parent Company Guarantee and supporting documentation, is acceptable to the NRC staff, we expect that all other information that has been requested by the NRC staff will be provided in a timely manner.

Specifically, please provide the information requested in our December 2, 2014 letter regarding the indirect change of control and the Standby Trust Agreement, as discussed in our December 17, 2014 letter, within 30 days of the date of this letter. If you are unable to provide the information requested in these letters within 30 days, provide an explanation as to why you are unable to provide the information and request an alternate schedule for submission of the information within 15 days of the date of this letter.

In accordance with 10 CFR 2.390 of the NRC "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 website at <http://www.nrc.gov/reading-rm/adams.html>.

L. Corte

3

If you have any questions concerning the NRC staff comments, contact Dominick Orlando at 301-415-6749 or by email at [Dominick.Orlando@nrc.gov](mailto:Dominick.Orlando@nrc.gov).

Sincerely,

**/RA/**

Dominick A. Orlando, Senior Project Manager  
Materials Decommissioning Branch  
Division of Decommissioning, Uranium Recovery  
and Waste Programs  
Office of Nuclear Material Safety  
and Safeguards

Docket Number 040-01162

Cc: Split Rock distribution list

L. Corte

3

If you have any questions concerning the NRC staff comments, contact Dominick Orlando at 301-415-6749 or by email at [Dominick.Orlando@nrc.gov](mailto:Dominick.Orlando@nrc.gov).

Sincerely,

**/RA/**

Dominick A. Orlando, Senior Project Manager  
Materials Decommissioning Branch  
Division of Decommissioning, Uranium Recovery  
and Waste Programs  
Office of Nuclear Material Safety  
and Safeguards

Docket Number 040-01162

Cc: Split Rock distribution list

**DISTRIBUTION:** R. Evans, RIV L.Gersey, RIV R. Kellar, RIV

**ML15015A093**

<b>OFC</b>	DUWP	DUWP	DUWP	DUWP	DUWP
<b>NAME</b>	DOrlando	CHolston	CMcKenney	MNorato	DOrlando
<b>DATE</b>	01/15 /15	01/15/15	01/15/15	01/16/15	01/ 22/15

**OFFICIAL RECORD COPY**