

VIA E-MAIL AND CERTIFIED MAIL

October 24, 2016

Clayton Eubanks, Esq.
Oklahoma Attorney General's Office
313 NE 21st Street
Oklahoma City, Oklahoma 73105

Sara Hill, Esq.
Senior Assistant Attorney General
Cherokee Nation Office of the Attorney General
P.O. Box 948
Tahlequah, Oklahoma 74465

Re: November 30, 2004 Settlement Agreement Concerning the Sequoyah Fuels Corporation Reclamation Plan between Sequoyah Fuels Corporation, the State of Oklahoma, and the Cherokee Nation

Dear Mr. Eubanks and Ms. Hill:

As detailed in my letter dated July 24, 2015, during the nearly twelve (12) years since the execution of the November 30, 2004 Settlement Agreement (the "Agreement"), Sequoyah Fuels Corporation ("SFC") has tried diligently, without success, to find an off-site disposal site authorized to accept the "Material" (as that term is defined in Section V.A.1.a.(i) of the Agreement).

In the alternative, the NRC-approved SFC Reclamation Plan contemplates the placement of the Material in SFC's on-site engineered disposal cell, the custody of which would ultimately transfer to the U.S Department of Energy. Such placement provides for permanent containment in a disposal cell engineered in accordance with the most modern standards and would eliminate any public exposure risks associated with highway transportation of more than four hundred truckloads of radioactive material over one thousand miles, about a third of which is in Oklahoma, through five states and three major cities, including Oklahoma City.

Reclamation of the SFC site has now progressed to the point where the continued presence of the Material on its current storage location on the South Yellowcake Pad in the SFC site will prevent further progress starting at the end of November 2016. At that point in time, SFC will be forced to suspend all reclamation activities and lay off the reclamation and support contractor personnel, unless it can dispose of the Material on-site as approved by the NRC.

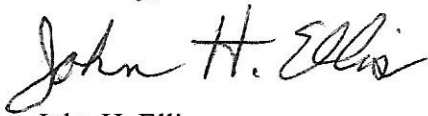
The White Mesa Uranium Mill in Utah, even if eventually authorized to accept the Material, would not receive such authorization prior to SFC being forced to suspend reclamation activities and lay off personnel later this year. The State of Utah recently informed SFC that approval and issuance of White Mesa's license renewal (which it applied for in 2007) and license amendment

(which it applied for in 2011), both of which are required for White Mesa to accept the Material, cannot occur earlier than June 2017 (assuming approval can be secured at all).

Accordingly, in order to avoid further delay in the completion of the site reclamation and the loss of trained and experienced reclamation personnel, SFC requests approval on or before December 1, 2016 for placement of the Material into SFC's on-site disposal cell.

I would, of course, be pleased to meet with you at any time to answer any questions that you might have.

Sincerely,

A handwritten signature in black ink that reads "John H. Ellis". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

John H. Ellis
President

cc: Pam Dizikes, Esq.
Ken Kalman, NRC Project Manager