

Kennecott Uranium Company
42 Miles NW of Rawlins
P.O. Box 1500
Rawlins, WY 82301-1500
USA
T +1 (307) 328 1476
F +1 (307) 324 4925

December 20, 2017

Ms. Andrea Kock, Deputy Director
Division of Decommissioning, Uranium Recovery and Waste Programs
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
11545 Rockville Pike
Rockville, MD 20852-2738

Dear Ms. Kock:

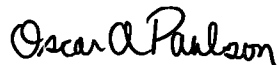
**Subject: Kennecott Uranium Company – Sweetwater Uranium Project
Docket Number 040-08584 – Source Materials License SUA-1350
License Condition 9.7 – Surety Submittal / Sixteenth Amended Standby
Trust Agreement**

Enclosed please find the amendment to Bond Number 9027973, increasing it to \$12,033,000.00, and three (3) originals of the Sixteenth Amended Standby Trust Agreement. This agreement amends the existing standby trust agreement to reflect the increase in the listed surety amount to \$12,033,000.00.

Upon your review and approval of the Sixteenth Amended Standby Trust Agreement, please execute all copies and return two (2) copies to Kennecott Uranium Company at the letterhead address.

If you have any questions please do not hesitate to contact me.

Regards,



Oscar A. Paulson
Facility Supervisor

cc: James Webb (2 copies)
Director, DNMS, Region IV (w/o attach)
Jean-Francois Couture
Rich Atkinson

NMSS01

SURETY RIDER

To be attached to and form a part of

Bond No. **9027973**

Type of **Financial Guarantee Bond – Sweetwater Uranium Project, Source Material License: SUA-1350**
Bond:

dated
effective **December 20, 2010**
(MONTH-DAY-YEAR)

executed by **Kennecott Uranium Company**
(PRINCIPAL)

, as Principal,

and by **Fidelity and Deposit Company of Maryland**
(SURETY)

, as Surety,

in favor of **U.S. Nuclear Regulatory Commission**
(OBLIGEE)

in consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing

The bond amount is increased:

From: Eleven Million Eight Hundred Eleven Thousand and 00/100 Dollars (\$11,811,000.00)

To: Twelve Million Thirty Three Thousand and 00/100 Dollars (\$12,033,000.00)

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider is effective **November 14, 2017**
(MONTH-DAY-YEAR)

Signed and Sealed **November 14, 2017**
(MONTH-DAY-YEAR)

Kennecott Uranium Company
(PRINCIPAL)

By: *Oscar A Paulson*
(PRINCIPAL)
Chief Operating Officer - Oscar Paulson

Fidelity and Deposit Company of Maryland
(SURETY)

By: *Stacy Killebrew*
Stacy Killebrew, Attorney-in-Fact



**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Maryland, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Maryland (herein collectively called the "Companies"), by **DAVID MCVICKER, Vice President**, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint **Kathleen K. FREUND and Stacy KILLEBREW, both of Denver, Colorado, EACH** its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings**, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND**, this 28th day of June, A.D. 2017.

ATTEST:

**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**



By:

Dawn E. Brown

*Assistant Secretary
Dawn E. Brown*

David McVicker

*Vice President
David McVicker*

State of Maryland
County of Baltimore

On this 28th day of June, A.D. 2017, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **DAVID MCVICKER, Vice President, and DAWN E. BROWN, Assistant Secretary**, of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, depose and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Constance A. Dunn

*Constance A. Dunn, Notary Public
My Commission Expires: July 9, 2019*



EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this 14th day of November, 2017.



Michael Bond, Vice President

TO REPORT A CLAIM WITH REGARD TO A SURETY BOND, PLEASE SUBMIT ALL REQUIRED INFORMATION TO:

Zurich American Insurance Co.
Attn: Surety Claims
1299 Zurich Way
Schaumburg, IL 60196-1056

Sixteenth Amended Standby Trust Agreement

This sixteenth (16th) Amendment entered into this ___ day of January, 2018 by and between Kennecott Uranium Company, a Delaware corporation, (the "Grantor") and Wells Fargo Bank, N.A., (the "Trustee").

Whereas, the Grantor and the Trustee entered into a Standby Trust Agreement, initially dated as of March 25, 1998 and subsequently amended, most recently by the Fifteenth Amendment dated as of February 15, 2017 (said Standby Trust Agreement and all amendments thereto hereinafter referred to as the "Standby Trust Agreement"); and

Whereas, the "Cost Estimate" as listed on Schedule A of the Standby Trust Agreement is being increased;

Now, therefore, the Grantor and Trustee agree as follows:

1. Schedule A is hereby amended so that the description of the box labeled "COST ESTIMATES FOR WHICH FINANCIAL ASSURANCES ARE BEING DEMONSTRATED BY THIS AGREEMENT" reads as follows:

"\$12,033,000 per NRC acceptance of Grantor's calculation as contained in Grantor's letter dated July 19, 2017"

2. Schedule B is hereby amended to read as follows:

The Standby Trust is initially unfunded. Future contributions to the Standby Trust will initially consist of funds designated for deposit in accordance with the terms of a Financial Guarantee bond No. 9027973, as amended, in the amount of \$12,033,000 issued by Fidelity and Deposit Company of Maryland in favor of NRC.

In all other provisions, the language of the Standby Trust Agreement, as amended, shall remain the same.

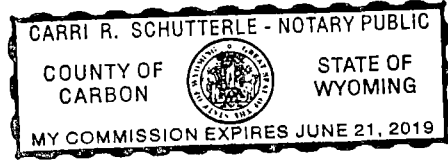
IN WITNESS WHEREOF, the parties have caused this sixteenth (16th) Amendment to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written.

Grantor:

Kennecott Uranium Company

By: Oscar Paulson
Name: Oscar Paulson
Title: Chief Operating Officer

Attest:
By: Carri R. Schutterle
Title: Administrative Coordinator



Trustee:

Wells Fargo Bank, N.A.

By: David H. Hill
Name: David H. Hill
Its: Vice President

Attest:
By: [Signature]
Title: Vice President

Beneficiary:

Nuclear Regulatory Commission

By: _____
Name: _____
Title: _____

Attest:
By: _____
Title: _____

SCHEDULE A

This Agreement demonstrates financial assurance for the following cost estimate(s) for the following uranium recovery facility (ies):

U.S. NUCLEAR REGULATORY COMMISSION LICENSE NUMBER	NAME OF FACILITY	ADDRESS OF FACILITY	COST ESTIMATES FOR WHICH FINANCIAL ASSURANCES ARE BEING DEMONSTRATED BY THIS AGREEMENT
SUA – 1350	Sweetwater Uranium Project	42 Mi. NW of Rawlins, WY P.O. Box 1500 Rawlins, WY 82301-1500	\$12,033,000,000 per NRC acceptance of Grantor's calculation as contained in Grantor's letter dated July 19, 2017

SCHEDULE B

AMOUNT \$ -0-
AS EVIDENCED BY: _____ (1) _____

(1) The Standby Trust is initially unfunded. Future contributions to the Standby Trust will initially consist of funds designated for deposit in accordance with the terms of a Financial Guarantee bond No. 9027973, as amended, in the amount of \$12,033,000 issued by Fidelity and Deposit Company of Maryland in favor of NRC.

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Whereas, the "Cost Estimate" as listed on Schedule A of the Standby Trust Agreement is being increased;

Now, therefore, the Grantor and Trustee agree as follows:

1. Schedule A is hereby amended so that the description of the box labeled "COST ESTIMATES FOR WHICH FINANCIAL ASSURANCES ARE BEING DEMONSTRATED BY THIS AGREEMENT" reads as follows:

"\$12,033,000 per NRC acceptance of Grantor's calculation as contained in Grantor's letter dated July 19, 2017"

2. Schedule B is hereby amended to read as follows:

The Standby Trust is initially unfunded. Future contributions to the Standby Trust will initially consist of funds designated for deposit in accordance with the terms of a Financial Guarantee bond No. 9027973, as amended, in the amount of \$12,033,000 issued by Fidelity and Deposit Company of Maryland in favor of NRC.

In all other provisions, the language of the Standby Trust Agreement, as amended, shall remain the same.

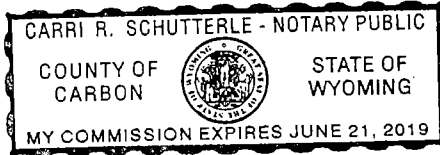
IN WITNESS WHEREOF, the parties have caused this sixteenth (16th) Amendment to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written.

Grantor:

Kennecott Uranium Company

By: [Signature]
Name: Oscar Paulson
Title: Chief Operating Officer

Attest:
By: [Signature]
Title: Administrative Coordinator



Trustee:

Wells Fargo Bank, N.A.

By: [Signature]
Name: David H. Hill
Title: Vice President

Attest:
By: [Signature]
Title: Vice President

Beneficiary:

Nuclear Regulatory Commission

By: _____
Name: _____
Title: _____

Attest:
By: _____
Title: _____

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AS EVIDENCED BY: _____ (1) _____

(1) The Standby Trust is initially unfunded. Future contributions to the Standby Trust will initially consist of funds designated for deposit in accordance with the terms of a Financial Guarantee bond No. 9027973, as amended, in the amount of \$12,033,000 issued by Fidelity and Deposit Company of Maryland in favor of NRC.

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Whereas, the "Cost Estimate" as listed on Schedule A of the Standby Trust Agreement is being increased;

Now, therefore, the Grantor and Trustee agree as follows:

1. Schedule A is hereby amended so that the description of the box labeled "COST ESTIMATES FOR WHICH FINANCIAL ASSURANCES ARE BEING DEMONSTRATED BY THIS AGREEMENT" reads as follows:

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2. Schedule B is hereby amended to read as follows:

The Standby Trust is initially unfunded. Future contributions to the Standby Trust will initially consist of funds designated for deposit in accordance with the terms of a Financial Guarantee bond No. 9027973, as amended, in the amount of \$12,033,000 issued by Fidelity and Deposit Company of Maryland in favor of NRC.

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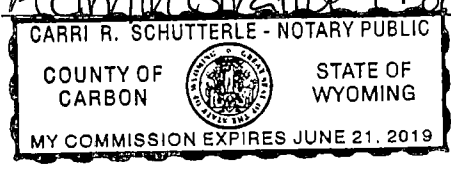
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Grantor:

Kennecott Uranium Company

By: Oscar Paulson
Name: Oscar Paulson
Title: Chief Operating Officer

Attest: Carri R. Schutterle
Title: Administrative Coordinator



Trustee:

Wells Fargo Bank, N.A.

By: David H. Hill
Name: David H. Hill
Title: Vice President

Attest: [Signature]
By: _____
Title: Vice President

Beneficiary:

Nuclear Regulatory Commission

By: _____
Name: _____
Title: _____

Attest: _____
By: _____
Title: _____

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U.S. NUCLEAR REGULATORY COMMISSION LICENSE NUMBER	NAME OF FACILITY	ADDRESS OF FACILITY	COST ESTIMATES FOR WHICH FINANCIAL ASSURANCES ARE BEING DEMONSTRATED BY THIS AGREEMENT
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SCHEDULE B

AMOUNT \$ -0-
AS EVIDENCED BY: _____ (1) _____

(1) The Standby Trust is initially unfunded. Future contributions to the Standby Trust will initially consist of funds designated for deposit in accordance with the terms of a Financial Guarantee bond No. 9027973, as amended, in the amount of \$12,033,000 issued by Fidelity and Deposit Company of Maryland in favor of NRC.