JUN 11 1993

License No. 37-17937-03 Docket No. 030-19934 Control No. 116034

Halliburton NUS
ATTN: Mr. Craig L. Christensen Treasurer
910 Clopper Road
P. O. Box 6032
Gaithersburg, Maryland 20877-0962

Dear Mr. Christensen:

9308030123 PDR ADOCK

Subject: Financial Assurance for Decommissioning

This refers to your submittal regarding financial assurance for decommissioning dated January 16, 1992, and subsequent submittals dated February 24, 1992, May 6, 1992, June 4, 1992 and July 13, 1992.

We have reviewed these submittals and have no further questions regarding them at this time.

Please be aware that 10 CFR 30.35(c)(2) and 10 CFR 70.25(c)(2) require you to include a decommissioning funding plan in your application to renew License No. 37-17937-03 which will expire on July 31, 1994. The decommissioning funding plan must include an actual decommissioning cost estimate and financial assurance for the amount of that estimate. Your cost estimate should include all information that is necessary to complete Appendix F to Regulatory Guide 3.66 (copy enclosed).

If you have questions, please contact Jim Bondick at (215) 337-6951.

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Halliburton NUS

Your cooperation with us is appreciated.

Sincerely,

-2-

Original Signed Ev: John D. Kluneman

John D. Kinneman, Chief Research, Development and Decommissioning Section Division of Radiation Safety and Safeguards

Enclosure: Regulatory Guide 3.66

bcc: J. Kinneman, RI

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030-19934

TO: JAMES BONDICK U.S.NUCLEAR REGULATORY COMMISSION

August 19, 1992

FROM: J. DAVID YESSO, HALLIBURTON NUS JOY

SUBJECT: LICENSE NUMBER: 37-17937-94--PLUTONIUM INVENTORIES

As you requested in our telephone conversation of 8/14/92, I have reviewed our radioactive material records for the past two years to determine the maximum quantities of plutonium that we have had on hand at any one time. The maximum quantity of material has come from some work we are performing on some contaminated sediments from DOE's Rocky Flats Plant. The majority of the material on a mass basis has been plutonium-239. However, this material is contaminated with about 0.4 weight percent of plutonium-241, a beta emitter. Because of the relative halflives, the plutonium-241 accounts for the majority of the total activity. Similarly, we have had some plutonium-242 in this material at 0.03 weight percent, and plutonium-238 at 0.01 weight percent. Over the past year, we would have liked to have accepted larger quantities of plutonium-contaminated materials, but we have been restricted by our limit for americium-241 (1 mCi). We are contemplating requesting a license amendment to increase our americium limit. Consequently, we do not wish to amend our license in any way that would significantly reduce our ability to accept larger quantities of plutonium-239/240 or associated plutonium-241 and 242.

We have not had any plutonium-236 in our inventory in the past two years, and are not likely to have any in the future except in tracer quantities of the order of a few nanocuries. Plutonium-238, 241, and 242 are presently in our inventory only as tracers or in the trace amounts (by weight) noted above. There is however the potential of receiving plutonium-238 in larger quantities from some DOE environmental restoration sites.

The following table summarizes the maximum amounts of plutonium we have had in inventory in the past two years, and the maximum quantity I would anticipate in the near future. If you need any additional information, or would like to discuss this further, please call me at 412-921-8984.

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116034 Fax Reep 8/19/92

PLUTONIUM IBOTOPE	MAXIMUM ACTUAL INVENTORY 1991/1992 (millicuries)	MAXIMUM ANTICIPATED INVENTORY (millicuries)	
236	0.0	5E-06	
238	0.2	100	
239	6.8	100	
240	1.5	25	
241	43.3	640	
242	1.4E-04	2	



910 CLOPPER ROAD * P.O. BOX 6032 * GAITHERSBURG, MARYLAND 20877-0962 * (301) 258-6000

030-19934 37-17937-03

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July 13, 1992

Mr. Jim Bondick Nuclear Regulatory Commission 475 Allendale Road King of Prussia, PA 19406

Dear Mr. Bondick:

18

As per our previous conversations, attached is an original copy of the Standby Trust Agreement, Acknowledgement, and a copy of the Letter of Credit issued by Citibank. These documents are submitted as evidence of our compliance with Financial Assurance requirements under 10 CFR Parts 30 and 70 as required by our NRC license number 37-17937-03.

If you should have any questions, please contact me directly at (301) 258-1221.

Sincerely,

Craig L. Christensen Treasurer

\sam

Attachments

cc: L. Beer D. Yesso

CLC:92-100

/16 034 *JUL 1 4 1992

OFFICIAL RECORD COPY ML 10 technologies and services for a cleaner and safer world

STANDBY TRUST AGREEMENT

TRUST AGREEMENT, the Agreement entered into as of <u>JULY 1, 1992</u> by and between HALLIBURTON NUS Environmental Corporation, a Delaware corporation, herein referred to as the "Grantor", and Citibank, N.A., 120 Wall Street, 13th Floor, New York, NY 10043, the "Trustee".

WHEREAS, the U.S. Nuclear Regulatory Commission (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, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Parts 30 and 70. These regulations, applicable to the Grantor, require that a holder of, or an applicant for, a Part 30, 40, 70 or 72 license provide assurance that funds will be available when needed for required decommissioning activities; and

WHEREAS, the Grantor has elected to use a letter of credit to provide all of such financial assurance for the facilities identified herein; and

WHEREAS, when payment is made under a letter of credit, this standby trust shall be used for the receipt of such payment; and

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee,

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Se. on 1. Definitions. As used in this Agreement:

- (a) The term "Grantor" means the NRC licensee who enters into this Agreement and any successors or assigns of the Grantor.
- (b) The term "Trustee" means the trustee who enters into this Agreement and any successor Trustee.

Section 2. Costs of Decommissioning. This Agreement pertains to the costs of decommissioning the materials and activities identified in License Number 37-17937-03 issued pursuant to 10 CFR Parts 30 and 70 as shown in Schedule A.

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a standby trust fund (the Fund) for the benefit of the NRC. The Grantor and the Trustee intend that no third party have access to the Fund except as provided herein.

<u>Section 4.</u> Payments Constituting the Fund. Payments made to the Trustee for the Fund shall consist of cash, securities, or other liquid assets acceptable to the Trustee. The Fund is established initially as consisting of the property, which is acceptable to the Trustee, described in Schedule B attached hereto. Such property and any other property subsequently transferred to the Trustee are referred to as the "Fund", together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it

undertake any responsibility for the amount of, or adequacy of the Fund, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by the NRC.

Section 5. Payment for Required Activities Specified in the Plan. The Trustee shall make payments from the Fund to the Grantor upon presentation to the Trustee of the following:

- (a) A certificate duly executed by the Secretary of the Depositor attesting to the occurrence of the events, and in the form set forth in the attached Specimen Certificate, and
- (b) A certificate attesting to the following conditions:
 - (1) that decommissioning is proceeding pursuant to an NRC-approved plan;
 - (2) that the funds withdrawn will be expended for activities undertaken pursuant to that Plan; and
 - (3) that the NRC has been given 30 days' prior notice of HALLIBURTON NUS Environmental Corporation's intent to withdraw funds from the escrow fund.

No withdrawal from the fund can exceed 10 percent of the outstanding balance of the Fund or \$150,000 dollars, whichever is greater, unless NRC approval is attached.

In the event of the Grantor's default of inability to direct decommissioning activities, the Trustee shall make payments from the Fund as the NRC shall direct, in writing, to provide for the payment of the costs of required activities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the NRC, or State agency, from the Fund for expenditures for required activities in such amounts as the NRC, or State agency, shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the NRC specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 6. Trust Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge its duties with respect to the Fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that:

- (a) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended (15 U.S.C. 80a-2(a)), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;
- (b) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal Government, and in obligations of the Federal Government such as GNMA, FNMA, and FHLM bonds and certificates or State and

Municipal bonds rated BBB or higher by Standard and Poors or BAA or higher by Moody's Investment Services; and

(c) For a reasonable time, not to exceed 60 days, the Trustee is authorized to hold uninvested cash, awaiting investment or distribution, without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

- (a) To transfer from time to time any or all of the assets of the fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and
- (b) To purchase shares in any investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), including one that may be created, managed, underwritten, or to which investment advice is rendered, or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

<u>Section 8.</u> <u>Express Powers of Trustee</u>. Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

- (a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale, as necessary to allow dully authorized withdrawals at the joint request of the Grantor and the NRC or to reinvest in securities at the direction of the Grantor;
- (b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (c) To register any securities held in the Fund in its own name, or in the name of a nominee, and to hold any security in bearer form or in book entry, or to combine certificates representing such in other fiduciary capacities, to reinvest interest payments and funds from matured and redeemed instruments, to file proper forms concerning securities held in the Fund in a timely fashion with appropriate government agencies, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee or such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the U.S. Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;
- (d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal government; and
- (e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

<u>Section 10</u>. <u>Annual Valuation</u>. After payment has been made into this standby trust fund, the Trustee shall annually, at least 30 days before the anniversary date of receipt of payment into the standby trust fund, furnish to the Grantor and to the NRC a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days before the anniversary date of the establishment of the Fund. The failure of the Grantor to object in writing to the T. stee within 90 days after the statement has been furnished to the Grantor and the NRC, or State agency, shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to the matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting on the advice of counsel.

Section 12. <u>Trustee Compensation</u>. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing with the Grantor. (See Schedule C.)

Section 13. Successor Trustee. Upon 90 days notice to the NRC, the Trustee may resign; upon 90 days notice to the NRC and the Trustee, the Grantor may replace the Trustee; but such resignation or replacement shall be effective until the Grantor has appointed a successor Trustee and this successor accepts the appointment. The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor Trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions. The successor Trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the NRC, or State agency, and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this section shall be paid as provided in Section 9.

Section 14. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are signatories to this agreement or such other designees as the Grantor may designate in writing. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. If the NRC or State agency issues orders, requests, or instructions to the Trustee these shall be in writing, signed by the NRC, or State agency, or their designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of termination of the authority of any person to act on behalf of the Grantor, the NRC, or State agency, hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instruction from the Grantor and/or the NRC, or State agency, except as provided for herein. <u>Section 15</u>. <u>Amendment of Agreement</u>. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee and the NRC, or State agency, or by the Trustee and the NRC, or State agency, if the Grantor cellules to exist.

Section 16. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 15, this trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and the NRC or State agency, or by the Trustee and the NRC or State agency, if the Grantor ceases to exist. Upon termination of the trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor or its successor.

Section 17. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this trust, or in carrying out any directions by the Grantor, the NRC, or State agency, issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the trust fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 18. This Agreement shall be administered, construed, and enforced according to the laws of the State of New York.

<u>Section 19</u>. <u>Interpretation and Severability</u>. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement. If any part of this Agreement is invalid, it shall not affect the remaining provisions which will remain valid and enforceable.

SPECIMEN CERTIFICATE

(Date)

Citibank, N.A. Corporate Trust Division 120 Wall Street, 13th Floor New York, NY 10043

Gentlemen:

In accordance with the terms of the Agreement with you dated ______, I, _____, Secretary of HALLIBURTON NUS Environmental Corporation, hereby certify that the following events have occurred:

- HALLIBURTON NUS Environmental Corporation is required to commence the decommissioning of its facility located at 5350 Campbells Run Road, Pittsburgh, PA 15205, (hereinafter called the decommissioning).
- 3. The Board of Directors of HALLIBURTON NUS Environmental Corporation has adopted the attached resolution authorizing the commencement of the decommissioning.

Sincerely,

Secretary

CERTIFICATE OF RESOLUTION

I, ______, do hereby certify that I am Secretary of HALLIBURTON NUS Environmental Corporation, a Delaware corporation, and that the resolution listed below was duly adopted at a meeting of this Corporation's Board of Directors on

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of this Corporation this _____ day of _____.

(Corporate Seal)

Secretary

RESOLVED, that this Board of Directors hereby authorizes the President, or such other employee of the Company as he may designate, to commence decommissioning activities at 5350 Campbells Run Road, Pittsburgh, PA 15205 in accordance with the terms and conditions described to this Board of Directors at this meeting and with such other terms and conditions as the President shall approve with and upon the advice of counsel.

TRUST AGREEMENT SCHEDULE

SCHEDULE A-

This Agreement demonstrates financial assurance for the following cost estimates for the following licensed activities:

U.S. Nuclear Regulatory Commission License Number:

37-17937-03

Name and Address of Licensee:

HALLIBURTON NUS Environmental Corporation 910 Clopper Road Gaithersburg, Maryland 20877

Address of Licensed Activity:

5350 Campbells Run Road Pittsburgh, PA 15205

Cost Estimates for Regulatory Assurances Demonstrated by This Agreement:

Unsealed Byproduct Material - \$750,000 Unsealed Special Nuclear Material - \$750,000 Total - \$1,500,000

The cost estimates listed here are initial estimates in accordance with the Nuclear Regulatory Commission Regulatory Guide 3.66 (Task D6-3002), dated June 1990.

TRUST AGREEMENT SCHEDULE

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SCHEDULE B

Amount:

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\$1,500,000

As Evidenced By LC # NY-2418.30011324 Issued by Citibank, N.A.

TRUST AGREEMENT SCHEDULE

SCHEDULE C

ξ**A**

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Until such time as the Trust shall be funded, the Grantor will pay the Trustee an annual fee of \$2,500.00. After the Trust has been funded, the Grantor will pay the Trustee an annual fee in keeping with the Trustee's then-current schedule of fees.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by the respective officers dully authorized and the incorporate seals to be hereunto affixed and attested as of the date first written above.

ATTEST:

Donald L. Couchman Name:

Title: Secretary

HALLIBURTON NUS Environmental Corporation

Name: Scott R. Willis

Chief Financial Officer Title:

lan Name: Craig L Christensen Title: Treasurer

(Corporate Seal)

CITIBANK, N.A.

Name: William O. Gauger

Title: Vice President

(Corporate Seal)

ATTEST:

Name: John J. Brynes

Title: Vice President

HALLIBURTON NUS

ACKNOWLEDGEMENT

State of: New York

To Wit: County of Manhattan

City of: New York

On this <u>1</u> day of <u>JOL</u> 1992, before me, a notary public in and for the City and State aforesaid, personally appeared William O. Gauger, and he did depose and say that he is the Vice President of Citibank, N.A., National Banking Association, Trustee, which executed the above instrument, that he knows the seal of said association; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the association; and that he signed his name thereto by like order.

Signature of Notary Public

My Commission Expires:

PLANECY H. FORTE Notary Public, State of New York No. 41-4902389 Qualified in Queens County Certificate Filed in New York County Commission Expires August 3, 1993 NORTH AMERICAN FINANCE GROUP - TRADE FINANCIAL SERVICES SORT # 5878 111 WALL STREET NEW YORK, NY 10043

Citibank, N.A.

JUNE 30, 1992

U.S. NUCLEAR REGULATORY COMMISSION

WASHINGTON, DC 20555

REF: IRREVOCABLE LETTER DF CREDIT NO. NY-2418-30011324

GENTLEMEN

WE HEREBY ESTABLISH JUR IRREVOCABLE STANDBY LETTER OF CREDIT NY-2418-30011324 IN YOUR FAVOR, AT THE REQUEST AND FOR THE ACCOUNT OF HALLIBURTON NUS ENVIRONMENTAL CORPORATION, 910 CLOPPER ROAD, GAITHERSBURG, MD. 20877 ("APPLICANT") UP TO THE AGGREGATE AMOUNT OF US\$ 1,500,000.00 (U.S. DOLLARS ONE MILLION, FIVE HUNDRED THOUSAND AND NO CENTS), AVAILABLE UPON PRESENTATION OF:

(1) YOUR SIGHT DRAFT DRAWN ON US BEARING REFERENCE TO THIS LETTER OF CREDIT NY-2418-30011324, AND

(2) YOUR SIGNED STATEMENT READING AS FOLLOWS: "I CERTIFY THAT THE AMOUNT OF THE DRAFT IS PAYABLE PURSUANT TO REGULATIONS ISSUED UNDER AUTHORITY OF U.S. NUCLEAR REGULATORY COMMISSION. I HEREBY REQUEST THAT PAYMENT IN THE AMOUNT OF \$ ______ BE REMITTED "O THE STANDBY TRUST FUND NO. 793866 I/N/O HALLIBURTON NUS ENVIRONMENTAL CORPORATION AT CITIBANK, N.A. AS TRUSTEE FOR THE BENEFIT OF THE NRC."

THIS LETTER OF CREDIT RELATES TO REGULATIONS ISSUED UNDER THE AUTHORITY OF THE U.S. NUCLEAR REGULATORY COMMISSION (NRC), AN AGENCY OF THE U.S. GOVERNMENT, PURSUANT TO THE ATOMIC ENERGY ACT OF 9154, AS AMENDED, AND THE ENERGY REORGANIZATION ACT OF 1974. THE NRC HAS PROMULGATED REGULATIONS IN TITLE 10, CHAPTER I OF THE CODE OF FEDERAL REGULATIONS, PARTS (30, 70), WHICH REQUIRE THAT A HOLDER OF, OR AN APPLICANT FOR, A LICENSE ISSUED UNDER 10 CFR PARTS (30, 70) PROVIDE ASSURANCE THAT FUNDS WILL BE AVAILABLE WHEN NEEDED FOR DECOMISSIONING.

THIS LETTER OF CREDIT IS EFFECTIVE AS OF JULY 1, 1992 AND SHALL EXPIRE ON JULY 1, 1993, BUT SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A PERIOD OF ONE YEAR ON JULY 1, 1993 AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS, AT LEASE NINETY (90) DAYS BEFORE THE THEN CURRENT EXPIRATION DATE, WE NOTIFY BOTH YOU AND HALLIBURTON NUS ENVIRONMENTAL CORPORATION, BY CERTIFIED MAIL, WITH SIGNED RETURN RECEIPTS, OF DUR INTENTION NOT TO EXTEND THE LETTER OF CREDIT FOR ANY ADDITIONAL Citibank, N.A.

PERIOD. IF HALLIBURTON NUS ENVIRONMENTAL CORPORATION IS UNABLE TO SECURE ALTERNATIVE FINANCIAL ASSURANCE TO REPLACE THIS LETTER OF CREDIT WITHIN THIRTY (30) DAYS OF NOTIFICATION OF CANCELLATION THE NRC MAY DRAW UPON THE UNUTILIZED BALANCE OF THIS LETTER OF CREDIT PRIOR TO CANCELLATION. THE BANK SHALL GIVE IMMEDIATE NOTICE TO THE APPLICANT AND THE NRC OF ANY NOTICE RECEIVED OR ACTION FILED ALLEGING (1) THE INSOLVENCY OR BANKRUPTCY OF THE FINANCIAL INSTITUTION OR (2) ANY VIOLATIONS OF REGULATORY REQUIREMENTS THAT COULD RESULT IN SUSPENSION OR REVOCATION OF THE BANK'S CHARTER OR LICENSE TO DO BUSINESS. WE ALSO SHALL GIVE IMMEDIATE NOTICE IF THE BANK, FOR ANY REASON, BECOMES UNABLE TO FULFILL ITS OBLIGATION UNDER THE LETTER OF CREDIT.

WHENEVER THIS LETTER OF CREDIT IS DRAWN ON UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT, WE SHALL PROMPTLY HONOR SUCH DRAFT UPON ITS PRESENTATION TO US WITHIN THIRTY (30) DAYS, AND WE SHALL DEPOSIT THE AMOUNT OF THE DRAFT DIRECTLY INTO THE STANDBY TRUST FUND OF HALLIEURTON NUS ENVIRONMENTAL CORPORATION IN ACCORDANCE WITH YOUR INSTRUCTIONS.

EACH DRAFT MUST BEAR ON ITS FACE THE CLAUSE: "DRAWN UNDER LETTER OF CREDIT NY-2418-30011324 DATED JUNE 30, 1992", AND THE TOTAL OF THIS DRAFT AND ALL DTHER DRAFTS PREVIDUSLY DRAWN UNDER THIS LETTER OF CREDIT DOES NOT EXCEED US\$ 1,500,000.00 (UNITED STATES DOLLARS ONE MILLION, FIVE HUNDRED THOUSAND AND NO CENTS)."

EXCEPT AS FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1983 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATIONS NO. 400

CITIBANK N.A.

AUTHORIZED TURE .

DALE IZZO, S.S.O North American Trade Services 111 Wall St./16th Fl./Zone 9 (212) 657-9409

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DATE TIME CONVERSATION RECORD 6/1/92 13:00 TYPE ROUTING TELEPHONE T VISIT CONFERENCE NAME/STHOOL LPG Y T INCOMING Location of Visit/Conference: SK OUTGOING ORGANIZATION (Office, dept., burepu. NAME OF PERSON(E) CONTACTED OR IN CONTACT TELEPHONE NO. Hallelencloy 39 - 258-1221 WITH YOU (.3% NUS CENIG CHRISTONSEN SUBJECT FIA Leller of Credit / Standberg Innot Ag. SUMMARY Spoke will Grang re: working on faced capy 1) the letter of credit: alt in agreem and that NUS alseled lair Malmaterier Stondby Trust agreement ready as me 3) They expect to land all epicecula documents to the NFC with - 1-2 meets ACTION REQUIRED Non NAME OF PERSON DOCUMENTING CONVERSATION DATE SIGNATURE 1 Rondal 6/11/92 JAMES M. Bowdick ACTION TAKEN TITLE SIGNATU IE DATE

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OPTIONAL FORM 271 (12-76) DEPARTMENT OF DEFENSE 116034 Reviewed wording with minor changes/additions

JUN-84-1992 14:30 FROM HALLIBUR NUS-CORP TO

26. 34. 92 12:13.PM - CITICORP N. A.

WORDING FOR IRREVOCABLE STANDBY LETTER OF CREDIT

IRREVOCABLE STANDBY LETTER OF CREDIT NO.

This Credit Expires JUNE 15, 1993

301 258 9116

Issued to: U.S. Nuclear Regulatory Commission Washington, DC 20555

Dear Sir or Madam:

We hereby establish our Irrevocable Standyby Letter of Credit No. in your favor, at the request and for the account of Ealliburton NUS Environmental Corporation, 910 Clopper Road, Gaithersburg, MD 20877 ("applicant") up to the aggregate amount of \$1,500,000.00 (U.S. Dollars One Million Five Eundred Thousand and no cents), available upon presentation of:

12 375269 P.02

P03

- (1) your sight draft drawn on us bearing reference to this Letter of Credit No. _____, &n]
- (2) your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to regulations issued under authority of U.S. Nuclear Regulatory Commission. I hereby request that payment in the amount of \$1,500,000 be remitted to the Standby Trust Fund No. held with in the amount of \$1,500,000 1/n/o

This letter of credit relates to regulations issued under the authority of the U.S. Nuclear Regulatory Commission (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. The NRC has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Parts [30, 70], which require that a holder of, or an applicant for, a license issued under 10 CFR Parts [30, 70] provide Assurance that funds will be available when needed for

This letter of credit is effective as of JUNE 15,092 and shall expire on <u>TUNE 14,1993</u>, but such expiration date shall be automatically extended without amendment for a period of <u>ONE YEAP</u> on <u>JUNE 14,1993</u> and on each successive expiration date, unless, at least 90 days before the then current expiration date, we notify both you and Halliburton NUS Environmental Corporation, by certified mail, as shown on the signed return receipts. If Halliburton NUS Environmental Corporation is unable to secure alternative financial assurance to replace this letter of credit within 30 days of notification of cancellation the NRC may draw upon the unutilized balance of this letter of credit prior to cancellation. The bank shall give immediate notice to the applicant insolvency or bankruptcy of the financial institution or (2) any violations of regulatory requirements that could result in suspension also shall give immediate notice if the bank, for any reason, because unable to fulfill its obligation under the letter of credit.

OFFICIAL RECORD COPY ML 10

116034 Frances 6 18/82 Whenever this letter of credit is drawn on under and in compliance with the terms of this letter of credit, we shall promptly honor such draft upon its presentation to us within 30 days, and we shall deposit the amount of the draft directly into the standby trust fund of ________ in accordance with your instructions.

3375269 P.03

PQ4

001 200 2110

JU 24-1992 14:31 FROM HALLIBUT ON NUS-CORP TO

Each draft must bear on its face the clause: "Drawn under Letter of Credit No. , dated , and the total of this draft and all other drafts previously drawn under this letter of credit does not exceed US\$1,500,000 (United States Dollars One Million Five Hundred Thousand and no cents)."

This letter of credit is subject to the Uniform Customs and Practice for Documentary Letters of Credit, International Chamber of Commerce, Publication No. 400 (1983 Revision). Reviewed wording with minor changes/additions

RECONMENDED WORDING FOR IRREVOCABLE STANDBY LETTER OF CREDIT

IRREVOCABLE STANDBY LETTER OF CREDIT NO. [Insert No.]

2.1301532170

030-19934

This Credit Expires [insert date]

Issued to: [Insert U.S. Nuclear Regulatory Commission; Washington, DC 20555, or name and address of appropriate State agency.]

Dear Sir or Madam:

We hereby establish our Irrevocable Standyby Letter of Credit No. in your favor, at the request and for the account of [applicant's name and address] ("applicant") up the account amount of [in words], U.S. dollars \$______, available upon presentation of:

- (1) your sight draft drawn on us bearing reference to this Letter of Credit No., and
- (2) your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to regulations issued under authority of <u>?</u> <u>I hereby</u> <u>request that payment in the amount of S son con or be</u> remitted to the Standby Trust Pund No. <u>1/n/o</u> held with

This letter of credit relates to regulations issued under the authority of the U.S. Nuclear Regulatory Commission (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. The NRC has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part [30, 40, 70, or 72], which require that a holder of, or an applicant for, a license issued under 10 CFR Parts [30, 40, 70, or 72] provide assurance that funds will be available when needed for decomissioning.

This letter of credit is effective as of [date] and shall expire on [date at least 1 year later], but such expiration date shall be automatically extended without amendment for a period of lat least year] on [date] and on each successive expiration date, unless, at least 90 days before the then current expiration date, we notify both you and [the applicant's name], by certified mail, as shown on the signed return receipts. If [the applicant's name] is unable to secure alternative financial assurance to replace this letter of credit within 30 days of notification of cancellation the NRC may draw upon the unutilized balance of this letter of credit prior to cancellation. The bank shall give immediate notice to the applicant and the [insert "NRC" or name of State agency] of any notice received or action filed alleging (1) the insolvency or bankruptcy of the financial institution or (2) any violations of regulatory requirements that could result in suspension or revocation of the bank's charter or license to do business. We also shall give immediate notice if the bank, for any reason, becomes unable to fulfill its obligation under the letter of oredit.

OFFICIAL RECORD COPY ML 10

MAY 0 6 1992

116034

FAXRECO



910 CLOPPER ROAD * P.O. BOX 6032 * GAITHERSBURG, MARYLAND 20877-0962 * (301) 258-6000

5/6/92

To: Jim Bondich

From BRIAN BRYAN

Please find attached LC Draft Janguage. I Arg have # the line where I require on answer from you. Please call me at 301-258-1226.

Shanks.

technologies and services for a cleaner and safer world

APR 1 0 1992.

License No. 37-17937-03 Docket No. 030-19934 Control No. 116034

NUS Corporation ATTN: Mr. Craig Christensan 910 Clopper Road Gaithersberg, Maryland 20878-1399

Dear Mr. Christensan:

We previously responded to your February 14, 1992 telephone inquiry regarding the wording in proposed Letter of Credit (LOC) and received your faxed changes to the proposed LOC in response to our comments. The text of the LOC that you submitted appears to deviate substantially from the text in Regulatory Guide 3.66. In order for us to continue our review and for you to comply with the requirements in 10 CFR 30.35, you must provide appropriately executed documents. We suggest that you follow the guidance in Regulatory Guide 3.66, but will review the executed documents as received.

Please refer to Mail Control No. 116034 when you submit the required documents.

Since financial assurance is required for your license, you should reply to this letter as promptly as possible.

Sincerely,

Original Signed By: John D. Kinnemen

> John D. Kinneman, Chief Research, Development & Decommissioning Section Division of Radiation Safety and Safeguards

Enclosure: Regulatory Guide 3.66

OFFICIAL RECORD COPY

ML 152 BONDICK - 0001.0.0 03/27/92 NUS Corporation

bcc: J. Kinneman, RI

ck/gc/gcb 4/6/92

ieman

OFFICIAL RECORD COPY

ML 152 BONDICK - 0002.0.0 03/27/92



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		37-17		03
DATE:	February	24, 19		9-6
PAGE:	1	OF	3	

00711

116034 2/24/92

TO: Jim Bondick

FAX NO.: (215) 337-5269

FROM: Craig Christensen

MESSAGE:

Dear Mr. Bondick:

As per our conversation, I have faxed the changes to the standard form LOC recommended by our bank, together with their letter describing the reasons for the changes.

Please review and respond to me at (301) 258-1221.

Thank you, Can.

Craig Christensen Treasurer

/sas ---

910 Clopper Road, P.O. Box 6032, Geithersburg, Maryland 20677-0962 (301) 258-6000

OFFICIAL RECORD COPY ML 10

ON NATUEST BANK DAL

DUTION NUSHLUKF

02/21/92 11:05 P. 2

National Westminster Bank PLC &

Hoxaton Marketing Office & North Americae Energy Unit Texas Commence Tower - 6070 600 Travis Street Houston, Texas 77002 Telephone (713) 221-2400 Facelmile (713) 221-2400 Facelmile (713) 221-8430 Telex 774534 Catles: NATWESBAN Houston

Please address your reply to: --

12153375269

The Senior Vice President

20 February 1992

VIA FACSIMILE 301 258 9116

Creig Christensen NUS Corporation 910 Clopper Road Gaithersburg, MD 20878-1399

Deer Craig:

Request for Irrevocable Standby Letter of Credit In fryour of: U.S. Nuclear Regulatory Commission

I am now able to provide you with a revised copy of the proposed format in which NatWest Flc would be prepared to issue your request. From the attached wording, you can see that the changes (which are relatively minimal) we would recommend pertain to removing certain language which we believe to be somewhat superflucus. We would prefer to provide a 'clean' letter of credit without making specific reference to chuses and acts of Federal Regulation, regarding which we have no working knowledge. Additionally, we do not feel we should be required to notify yourselves or the beneficiary of our financial solvency or any possible violation of benking regulation throughout the life of the credit; basically, the beneficiary, through their own due diligence, should make a decision prior to accepting this letter of credit regarding the financial well-being of our institution.

Once you have had an opportunity to review these amendments, please contact Inga Laughlin or myself to discuss the way forward.

Yours sincerely

P. Peter E. Commons Vice President

PEC/8fs/0184b(13)

FROM NATUEST BANK DAL

RECOMMENDED WORDING PROPOSED BY NATIONAL WESTMINSTER BANK PLC

F. 3

21/92 11:06

Sensticiary's Name and Address

Effective Date Letter of Credit Number Account Expiration Date The second

116034

IRREVOCABLE STANDBY LETTER OF CREDIT NO.

Deer Sir or Medam:

We hereby establish our Irrevocable Standby Letter of Credit No. _____ in your favour, at the request and for the account of (applicant's name and address) up to the aggregate amount of (in words), U.S. Dollars S_____ available upon presentation at our office located at 175 Water Street, 21st Floor, New York, NY 10038 of:

- (1) your sight dreft, signed by one purporting to be your duly suthorised official, bearing reference to this Letter of Gredit No. _____, each dreft must bear on its face the clause 'Drewn under Letter of Gredit No. ______ deted _____, and the total of this draft and all other drefts drewn previously, under this letter of credit does not exceed ______ and;
- (2) your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to regulations issued under authority of

This letter of oredit is effective as of (date) and shall expire on (date at least one year later), but such expiration date shall be automatically extended for a period of (at least one year) on (date) and on each successive expiration date, unless, at least 90 days before the current expiration date, we notify both you and (licensee's name), by certified meil. If (licensee's name) is unable to secure alternative financial assurance to replace this letter of credit within 30 days of notification of cancellation the NRC may drew upon the full value of this letter of credit prior to cancellation.

Whenever this letter of credit is drawn on under and in compliance with the terms of this letter of credit, we shall duly honor such draft upon its presentation to us within 30 days, and we shall deposit the amount of the draft directly into the standby trust fund of (licenses's name) in accordance with your instructions.

Except as otherwise expressly stated herein, this credit is subject to the Uniform Customs and Practice for Documentary Credite (1983 Revisions) International Chamber of Commerce in Publication No. 400 ("UCP"). As to matters not covered by UCP, this letter of credit shall be subject to and governed by the Laws of the State of New York.

(Signature(s) and title(s) of official(s) of issuing institution)

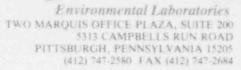
(Date)

02230

OFFICIAL RECORD COPY ML 10 TOTAL P. 3

U.S. NUCLEAR REGULATORY COMMISSION DATE NRC FORM 218 2-14-92 14.761 NACH 0240 MA A TIME TELEPHONE OR VERBAL CONVERSATION RECORD 0930 P.M. U VISIT SOUTGOING CALL INCOMING CALL EXTENSION PHONE NUMBER OFFICE/ADDRESS PERSON CALLING 6951 Koi JIM BONDIC PHONE NUMBER | EXTENSION OFFICE/ADDRESS Hallouston NUS PERSON CALLED 301-258-122 Craig Churte ONVERSATION tus of FIA Plan SUBJECT to the My call to the ate was dired SUMMARY Garthersling Md #. is a : tems Mr. Chustenson had quel on Plan format ic ') maine to ? (NRC) 2) usine under (UR) authority of (UR) 3) offecture date (Bonk Per Graig Chustemon the Plan wille done a bank anargements made by ~ 2/21/92 0\$3 2/14/92 REFERRED TO: ADVISE ME OF ACTION TAKEN. ACTION REQUESTED INITIALS DATE INITIALS ACTION TAKEN DATE OFFICIAL RECORD COPY 116034

30- 19934



C-28-92-JCS-036

MALLIBURTON NUS Environmental Corporation

January 16, 1992

John D. Kinneman, Chief Research, Development, and Decommissioning Section B Division of Radiation Safety and Safeguards U.S. Nuclear Regulatory Commission, Region 1 475 Allendale Road King of Prussia, Pennsylvania 19406-1415

RE: License No.: 37-17937-03 Docket No.: 030-19934 Control No.: 114920

Dear Mr. Kinneman:

In response to your letter of December 17, 1991, we have initiated preparation of the required decommissioning financial assurances for the referenced license. We have reviewed the regulatory requirements and Regulatory Guide 3.66 to identify the required level of assurances and have transmitted this information to the office of our CFO for preparation of the financial assurance documentation. We anticipate completion of this documentation by February 15, 1991.

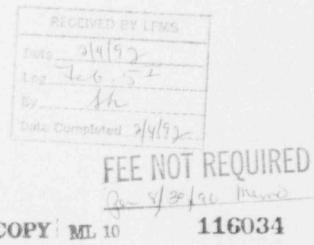
If you have any questions or need additional information, please contact me at 412-747-2510 or our Radiation Safety Officer, J. David Yesso, at 412-921-8984.

Very truly yours,

Burne C 2

Joanne C. Simanic Laboratory Manager Laboratory Services Group

JCS/ckh



01-17-92

OFFICIAL RECORD COPY ML 10

technologies and services for a cleaner and safer world

2 Sec. 2	
	: (FOR LEMS USE)
	INFORMATION FROM LTS
BETWEEN:	
LICENSE FEE MANAGEMENT BRANCH, ARM	PROGRAM CODE: 03611 STATUS CODE: 0
REGIONAL LICENSING SECTIONS	: FEE CATEGORY: 3L 1D 2C : EXP. DATE: 19940731 : FEE CONMENTS: ALWAYS : DECOM FIN ASSUR REQD: Y
LICENSE FEE TRANSMITTAL	
A. REGION	
1. APPLICATION ATTACHED	
APPLICANT/LICENSEE: HALLIBURTON NU RECEIVED DATE: 920117 DOCKET NO: 3019934 CONTROL NO.: 116034 LICENSE NO.: 37-17937-03 ACTION TYPE: AMENDMENT	S ENVIRONMENTAL CORP.
2. PEE ATTACHED AMOUNT: CHECK ND.:	
3. COMMENTS	
SIGNED	M.a. bikin
B. LICENSE FEE MANAGEMENT BRANCH (CHECK	WHEN MILESTONE 03 IS ENTERED / 10
1. FEE CATEGORY AND AMOUNT: 34.10	20
2. CORRECT FEE PAID. APPLICATION MAY AMENDMENT RENEWAL LICENSE	BE PROCESSED FOR: FEE NOT REQUIRED
3. OTHER	
SIGNED DATE	