



ATLAS CORPORATION |

Republic Plaza, 370 Seventeenth Street, Suite 3150
Denver, CO 80202
Telephone: (303) 825-1200 Fax: (303) 892-8808

RICHARD E. BLUBAUGH
Vice President of Environmental
and Governmental Affairs

June 2, 1994

Joseph H. Holonich
Uranium Recovery Branch
Division of Low-Level Waste Management
and Decommissioning, NMSS (5 E2)
US Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20850

Re: License SUA-917
Docket No. 40-3453
Standby Trust

Dear Mr. Holonich:

Transmitted herewith is the Standby Trust executed by Atlas Corporation as the Grantor and Norwest Bank of Colorado N. A. as the Trustee. This agreement was reviewed by your staff prior to finalization and execution.

In response to a query by the Trustee concerning designated representatives for the Nuclear Regulatory Agency, I said you would probably be the individual who would communicate with the Trustee. If this is incorrect or if you wish to designate additional representatives please write to John M. Wahl, Corporate Trust Administrator, at the address shown below stating your requirements. Please provide a copy to me for my files.

Norwest Investment Management & Trust
Norwest Bank Colorado N. A.
1740 Broadway
Denver, Colorado 80274-8693

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9406090091 940602
PDR ADOCK 04003453
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J. Holonich, NRC
Standby Trust
June 2, 1994
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It is our understanding that the Standby Trust will be incorporated into the current revision of License Condition No. 42 which was requested by letter of February 23, 1994. Also, since your letter of April 20, 1994 concerning this matter was copied to Mr. William Sinclair, Director of the Utah Division of Radiation Control, a courtesy copy of this transmittal letter will likewise be provided.

We appreciate the cooperation of you and your staff with respect to this matter. Please contact me at your convenience should you have any questions concerning the agreement.

Sincerely,



Richard E. Blubaugh

cc: S. Manz
M. Gross
J. M. Wahl, Norwest
William Sinclair, Director
Division of Radiation Control
State of Utah
168 North 1950 West
Salt Lake City , UT 84115-4850

Atlas Corporation

STANDBY TRUST

TRUST AGREEMENT, the "**Agreement**", entered into as of May 25, 1994 by and between Atlas Corporation, a Delaware Corporation with corporate offices in the State of Colorado, the "**Grantor**", and Norwest Bank of Colorado N.A., the "**Trustee**".

WHEREAS, the United States Nuclear Regulatory Commission, "**NRC**", an agency of the United States Government, pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974, and the Uranium Mill Tailings Radiation Control Act of 1978, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 40, Appendix A, Criteria 9 and 10. These regulations, applicable to the **Grantor**, require that a licensee of a uranium recovery facility shall provide assurance that funds will be available, when needed in accordance with the approved Reclamation and Decommissioning Plan, and also for any long term surveillance and control of the uranium recovery facility.

WHEREAS, the **Grantor** has elected to establish a surety arrangement to provide all or part of such financial assurance for the facilities identified herein, and

WHEREAS, when payment is made under a surety arrangement this **Standby Trust** shall be used for the receipt of such payment, and

WHEREAS, the **Grantor** has elected to establish a **Standby Trust** to provide all or part of such financial assurance for the facilities identified herein,

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:

Definitions. As used in this Agreement:

- (a) the term "**Grantor**" means the 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**.

Identification of Uranium Recovery Facilities and Cost Estimates

This **Agreement** pertains to the facilities and cost estimates identified in license number SUA-917 and shown in Schedule A.

Establishment of Fund

The **Grantor** and the **Trustee** hereby establish a **Standby Trust Fund** (the "**Fund**") for the benefit of NRC. The **Grantor** and the **Trustee** intend that no third party have access to the **Fund** except as herein provided.

Payments Comprising the Fund

Payments made to the **Trustees** for the **Fund** shall consist of cash or securities acceptable to the **Trustee**. The **Fund** is funded 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** is 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 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 NRC, its successor agency or designee.

Payment for Reclamation, Decommissioning, and Long-Term Surveillance and Control

The **Trustee** shall make payments from the **Fund**, as the NRC shall direct, in writing, to provide for the payment of the costs of reclamation, decommissioning, and if necessary, long-term surveillance and control of the facilities covered by this **Agreement**. The **Trustee** shall reimburse the **Grantor** or other persons as specified by the NRC from the **Fund** for reclamation, decommissioning, and long-term surveillance and control expenditures in such amounts as the NRC specifies 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.

Trustee 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** will 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 his duties with respect to the **Fund** solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstance 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:

- (i) 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;
- (ii) 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 or State government; and
- (iii) The **Trustee** is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

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 Company Act of 1940, 15 U.S.C. 80a-1 et seq., including one which 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.

Express Powers of Trustee

Without in any way limiting the powers and discretions 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. No person dealing with the **Trustee** shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;
- (b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any 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 securities with certificates of the same issued held by the **Trustee** in other fiduciary capacities 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 of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States 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 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 or State government; and

- (e) To compromise or otherwise adjust all claims in favor of or against the **Fund**.

Taxes and Expenses

All taxes of any kind that may be assessed or levied against or in respect of the **Fund** and all brokerage commission 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**.

Annual Valuation

After payment has been made into the **Fund**, the **Trustee** shall annually, at least 30 days before the anniversary date of receipt of payment into the **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 establishment of the **Fund**. The failure of the **Grantor** to object in writing to the **Trustee** within 90 days after the statement has been furnished to the **Grantor** and the NRC 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.

Advice of Counsel

The **Trustee** may from time to time consult with counsel, who may be counsel to the **Grantor**, 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 upon the advice of counsel.

Trustee Compensation

The **Trustee** shall be entitled to reasonable compensation for its services per attached fee scheduled (see Schedule C).

Successor Trustee

The **Trustee** may resign or the **Grantor** may replace the **Trustee**, but such resignation or replacement shall not 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, 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 the Section entitled "Taxes and Expenses".

Instructions to the Trustee

All orders, requests, and other instructions by the **Grantor** to the **Trustee** shall be in writing, signed by such persons as are designated in the attached Exhibit A or other such designees as the **Grantor** may designate by amendment to Exhibit A. The **Trustee** shall be fully protected in acting without inquiry in accordance with the **Grantor's** orders, requests, and instructions. All orders, requests, and instructions by the NRC to the **Trustee** shall be in writing, signed by the NRC, or its 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 written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the **Grantor** or NRC hereunder has occurred. The **Trustee** shall have no duty to act in the absence of such orders, requests, and the instructions from the **Grantor** or NRC, except as provided herein.

Amendment by Agreement

This **Agreement** may be amended by an instrument in writing executed by the **Grantor**, the **Trustee**, and the NRC; or by the **Trustee** and the NRC, if the **Grantor** ceases to exist.

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 by the **Trustee** and the NRC, if **Grantor** ceases to exist. Upon termination of the **Trust**, all remaining trust property less final trust administration expenses shall be delivered to the **Grantor**.

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** or the NRC 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.

Choice of Law

This **Agreement** shall be administered, construed, and enforced according to the laws of the State of Colorado.

Interpretation

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**.

IN WITNESS WHEREOF, the parties have caused this **Agreement** 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.

Steve Mann
Signature of Grantor

President / CFO
Title

Attest: [Signature]
Signature
Vice President
Title

[Seal]

[Signature]
Signature of Trustee

Vice President
Title

CERTIFICATE OF ACKNOWLEDGMENT

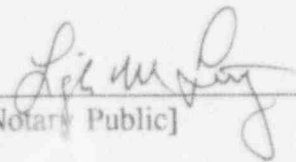
This is the Certificate of Acknowledgment which must accompany the TRUST AGREEMENT for a TRUST FUND.

STATE OF Colorado

To Wit:

CITY OF Denver

On this 2nd day of June 1994, before me, a notary public in and for the City and State aforesaid, personally appeared Kenneth T. Eichel, and he/she did depose and say that he/she is the Vice President of Northwest Bank Colorado national banking association, **Trustee**, and who executed the above instrument; and that he/she 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/she signed his/her name thereto by like order.


[Notary Public]

My Commission Expires: Sept. 24, 1994

SCHEDULE A

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

NRC License #:	SUA-917	
	<u>Parent</u>	<u>Uranium Mill Site</u>
Name of Facility:	Atlas Corporation	Atlas Minerals
Address of Facility:	370 17th St., Suite 3150 Denver, CO 80202	Hwy. 191 N., Box 1207 Moab, UT 84532
Cost Estimates for Which Financial Assurances are Being Demonstrated by this Agreement:	\$6,500,000.	

The cost estimates listed here were last adjusted and approved by the NRC on January 11, 1993.

SCHEDULE B

AMOUNT \$2,500.

AS EVIDENCED BY Initiation Trust Fee

SCHEDULE C

Norwest Bank of Colorado N.A., **Trustee's** fees shall be \$2,500 initially and a minimum of \$1,500 annually thereafter upon each renewal

Additional fees may be incurred dependant upon transactions.

Frequency with which fees may change: while Norwest Bank of Colorado N.A. Corporate Trust and Escrow Services (CTS) does not anticipate fee changes, if market annual review conditions, regulatory, or other changes affecting the industry occur, CTS may amend its fee schedule accordingly, upon written notice.

NORWEST INVESTMENTS AND TRUST

CORPORATE TRUST SERVICES ESCROW FEE SCHEDULE

Inception and First-Year Administration Fee

- \$1,500 for a Norwest Bank Denver Agreement
- \$2,500 for a Custom Drafted Escrow Agreement

Market Value		\$ Per	1,000.00
On the First	\$500,000	\$	2.00
On the Next	\$500,000	\$	1.00
On the Balance		\$.50
Minimum Annual Fee		\$	1,500.00

SCHEDULE C

(Continued)

Transaction Charges

Security Transactions	\$	25.00
Wire Transfers	\$	15.00
Receipts	\$	5.00
Disbursements	\$	5.00
Preparing Interest Allocations	\$	10.00/Calculation
Preparing and Filing Taxpayer Reports		
Each 1099	\$	2.00
Minimum Charge	\$	100.00

Extraordinary Services

Additional reasonable compensation will be charged for extraordinary services based on our then current standard hourly charge. Extraordinary services include, but are not limited to, attending escrow closings, processing assignments of escrow interests, reviewing and accepting modifications or amendments to the escrow agreement, and letter of credit draws.

Reimbursables

All out-of-pocket expenses incurred in the administration of the account, including postage, telephone charges, insurance, photocopies, supplies, and legal fees, with the exception of legal fees incurred at the inception of the account, will be billed at cost.

Overdrafts

Any overdrafts at Norwest Bank Denver caused by failed or incomplete securities deliveries will be reimbursable to Norwest Bank Colorado at prime plus two percent (2%).

Norwest Bank of Colorado N.A.
N461