

May 9, 1997

TO: UMETCO MINERALS CORPORATION, a Delaware corporation
UNION CARBIDE CORPORATION, a New York corporation
THE BANK OF NEW YORK, a New York banking corporation

SUBJECT: TERMINATION OF STANDBY TRUST AGREEMENT AND RELEASE OF
FINANCIAL ASSURANCE

Gentlemen:

The U.S. Nuclear Regulatory Commission hereby acknowledges receipt of a financial assurance arrangement from International Uranium (USA) Corporation for the facilities and cost estimates identified in NRC Source Material License SUA-1358, for the White Mesa Uranium Mill. This financial assurance arrangement replaces in its entirety the Standby Trust Agreement (the "Umetco Standby Trust"), dated May 16, 1994, between Umetco Minerals Corporation (Umetco), as Grantor, and The Bank of New York, as Trustee, in favor of the NRC.

The NRC, as beneficiary of the Umetco Standby Trust, hereby unconditionally and irrevocably releases Umetco and The Bank of New York from any and all obligations under (1) the Umetco Standby Trust, and (2) the irremovable letter of credit issued by The Bank of New York for the benefit of the NRC in the amount of \$10,915,467. The original copy of the letter of credit is hereby tendered.

This acknowledgment also serves to unconditionally and irrevocably release Umetco and the Union Carbide Corporation from any and all past, present, or future obligations under Source Material License SUA-1358.

If you have any questions concerning this letter, I can be reached at (301) 415-7238.

Sincerely,

(Original signed by)

Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

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Docket No. 40-8681
License No. SUA-1358

cc: H. Roberts, EFN
E. Hoellen, IUSA

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