cotter

VIA EMAIL AND U.S. MAIL

September 17, 2011

Mr. Steve Tarlton
Manager, Radiation Program
Colorado Department of Public Health and Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

Re: Colorado Radioactive Materials License Number Colo. 369-01

Dear Mr. Tarlton:

Cotter Corporation (N.S.L.) ("Cotter") is undertaking remedial work at its Cañon City Mill Facility including demolition of the Solvent Extraction and Product buildings. Completion of the demolition of these buildings has been delayed beyond the agreed target dates due to unexpected conditions analogous to force majeure.

With respect to the SX building, deliveries from the manufacturer of the "Ultrasorb" product used for the immobilization of the organic liquids have been significantly delayed. Immediately following CDPHE's approval on May 23, 2011 of the use of Utralsorb, Cotter placed an order with a Nevada manufacturer for 330,000 pounds of the material and was assured of its availability. Unfortunately, that has not been the case and as of September 16, 2011, Cotter has still not received all of the material. Consequently, the SX building demolition, including foundations, will be delayed to the end of December 2011.

CDPHE's approval of the Product Building Demolition Plan, which Cotter submitted on June 15, 2011, has not yet been received. Accordingly, demolition of this building is now anticipated to take until the end of December 2011.

For your information, demolition of the SX and Product buildings will occur simultaneously allowing for construction efficiency and resource maximization.

In summary, circumstances beyond Cotter's control have delayed the demolition completion dates of the Product and SX buildings. I am requesting that a December 31, 2011 extension be granted for these structures and the associated surety amount deferred.

Please call me at 719-275-7413 (ext. 202) if you have any questions.

Sincerely,

John S Hamrick

John S. Hamrick
Vice President, Mill Operations

Cotter Corporation
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