

September 14, 2007

Mr. E. Jonathan Jackson, President
FMRI
10 Tantalum Place
Muskogee, OK 74403

SUBJECT: NUCLEAR REGULATORY COMMISSION (NRC) APPROVAL OF CHANGES
TO CONDITION 25 OF LICENSE SUB-911 AS LICENSE AMENDMENT 13

Dear Mr. Jackson:

The U.S. Nuclear Regulatory Commission (NRC) has approved changes to your license as requested in your application dated July 6, 2006, and supplemented by letters dated August 31, 2006 and May 24, 2007. Pursuant to Part 40 of Title 10 of the Code of Federal Regulations, Materials License SMB-911 is hereby amended to change License Condition 25 to read:

- (a) All source material stored outside of the process buildings at the FMRI facility (other than materials contained in the ponds, pond materials that have been packaged to await transportation off-site in accordance with the Decommissioning Plan, and as contaminants in soils and sediments) shall be placed on raised pallets on a concrete pad. The area shall be sheltered by a roof and shall be surrounded by a concrete berm for containment.
- (b) Source material from ponds that has been packaged to await transportation off-site in accordance with the Decommissioning Plan and that is staged outdoors shall be managed in the following manner:
 - i. The material shall be staged in appropriate containers and placed inside a containment that is constructed with concrete or equipped with a 40 to 60-mil high density polyethylene (HDPE) liner and containment berms. Each containment area shall be constructed in a manner that allows storm water to drain or shall be equipped with a collection sump and pump that collect precipitation that may enter the containment and prevent prolonged storm water contact with the containerized material. Water that has come in contact with containers and drains from or collects within the staging areas shall be routed to the site's wastewater treatment plant for treatment prior to discharge. The use of raised pallets in these outdoor staging areas is not necessary.
 - ii. Staging areas with containers of material shall be covered with a minimum of 6-mil polyvinylchloride plastic in a manner that reduces the amount of precipitation allowed to contact the containers. The cover shall be secured in a fashion to prevent loss during high winds, but shall allow for frequent access to

permit removal of containers for transportation. The staging areas shall be monitored visually on a weekly basis while containers are in storage. Any observed damage to the staging area or cover system shall be repaired as soon as practicable.

iii. Containers described in Attachment A to FMRIs May 24, 2007 submittal, or their equivalent, will be stacked no more than 4 layers high.

iv. Beginning July 1, 2008, staging areas with containers of material that have not been removed for transportation within twelve months of their placement into the staging area shall be equipped with an improved cover system. This cover system shall consist of 40-mil seam-welded HDPE that will be placed to prevent any storm water from coming in contact with the staged containers. Staging areas equipped with an improved cover system will be inspected visually on a weekly basis. Additionally, a monthly inspection of the staging areas equipped with the improved cover system will be conducted.

Condition 10 is revised to include the dates of the supplementary letters, July 6, 2006, August 31, 2006 and May 24, 2007. Condition 26 is changed to correct a typographical error of the submittal date from January 24, 2003 to January 14, 2003. All other conditions of the license shall remain the same.

Enclosed are copies of the revised Materials License SMB-911 and Safety Evaluation Report.

Sincerely,

/RA/

Keith I. McConnell, Deputy Director
Decommissioning and Uranium Recovery
Licensing Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket No.: 40-7580
License: SMB-911

Enclosures: 1. Revised License No. SMB-911
2. Safety Evaluation Report

cc: Mike Broderick, ODEQ
Sara Penn, Esq., Office of the Oklahoma Attorney General
Richard Gladstein, Esq., U.S. Department of Justice

permit removal of containers for transportation. The staging areas shall be monitored visually on a weekly basis while containers are in storage. Any observed damage to the staging area or cover system shall be repaired as soon as practicable.

iii. Containers described in Attachment A to FMRIs May 24, 2007 submittal, or their equivalent, will be stacked no more than 4 layers high.

iv. Beginning July 1, 2008, staging areas with containers of material that have not been removed for transportation within twelve months of their placement into the staging area shall be equipped with an improved cover system. This cover system shall consist of 40-mil seam-welded HDPE that will be placed to prevent any storm water from coming in contact with the staged containers. Staging areas equipped with an improved cover system will be inspected visually on a weekly basis. Additionally, a monthly inspection of the staging areas equipped with the improved cover system will be conducted.

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