



**SEQUOYAH FUELS**  
A GENERAL ATOMICS COMPANY

29 February 2012

**RE: 1208-N**

**Certified Mail - Return Receipt Requested**  
**Receipt No. 7008 1140 0000 4060 8438**

Document Control Desk  
U.S. Nuclear Regulatory Commission  
Washington DC 20555 - 0001

RE: Sequoyah Fuels Corporation  
License SUB-1010; Docket No. 40-8027  
Reply to a Notice of Violation, IR 040 08027 11 002

Dear Sirs:

Please find enclosed a reply to subject notice of violation.  
Should you have any questions on this matter, please contact me at 918 489 5511, x226.

Sincerely,

John H. Ellis  
President  
Sequoyah Fuels Corporation

Enclosure

cc:

Mr. Kenneth Kalman, Project Manager  
Fuel Cycle Facilities Branch, Division Fuel Cycle Safety and Safeguards, NMSS  
U.S. Nuclear Regulatory Commission  
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U.S. Nuclear Regulatory Commission  
612 East Lamar Blvd, Suite 400  
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IEOT  
FSME

## **Reply to Notice of Violation**

Sequoyah Fuels Corporation  
Gore, Oklahoma

Docket: 040-08027  
License: SUB-1010

### **Notice of Violation**

During an NRC inspection conducted on November 1-2, 2011, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

License Condition 54.a states, in part, that the licensee may, without obtaining a license amendment and subject to the conditions specified in paragraph 54.b, make changes in the facility as described in the license application.

License Condition 54.b states, in part, that the licensee shall obtain a license amendment prior to implementing a proposed change, subject to any one of eight conditions.

License Condition 54.e states, in part, that the licensee shall maintain records of any changes made pursuant to this condition until license termination. These records shall include written safety and environmental evaluations made by the Plant Review Committee that provide the basis for determining whether the changes are in compliance with the requirements of paragraph 54.b.

Contrary to the above, on November 1, 2011, the NRC inspectors determined that the licensee had made various changes to the design and as-built construction of the onsite disposal cell during May-November 2011. These changes deviated from the requirements specified in the NRC-approved reclamation plan, a part of the license application. The Plant Review Committee failed to maintain records of these changes, including the written safety and environmental evaluations, prior to implementation of these changes. The changes include use of clean soil in the construction of the disposal cell, use of sand material with different technical characteristics, and installation of leachate system piping with a different spacing grid.

**Reason for the Violation**

SFC did not understand the NRC expectation that the formal documentation of the Plant Review Committee assessment, including revision to the license application (particularly the Reclamation Plan and attachments) must be complete in advance of the change implementation in the field. While Condition 54 does not specifically require that the documentation of a change is required prior to implementing change, it does require that an evaluation against the eight specific conditions in 54.b be made to determine if an NRC approved license amendment is required. SFC recognizes that compliance with 54.b is best demonstrated with formal documentation.

**Corrective steps that have been taken and the results achieved**

SFC implemented Standard Operating Procedure A-204 *Change of License Application* on 01 June 2011. This procedure established a standardized, uniform method for review and approval of a change in facility and procedures described in the license application identified by License SUB-1010. SFC amended this procedure to establish and emphasize the requirement to complete the change documentation prior to implementing the change. This procedure was reviewed and approved by the members of the SFC Plant Review Committee (PRC) on 31 January, 2012.

SFC performed a review to identify changes for which a record of the assessment needed to be completed. SFC subsequently completed a record of change, including evaluation, for each of the identified changes from the Disposal Cell Construction Plan<sup>1</sup> and Technical Specifications<sup>2</sup>.

**Corrective steps that will be taken to avoid further violations**

In addition to the corrective steps described above, SFC has begun recording minutes of the periodic project status meetings that are held between SFC and contract personnel. This meeting is normally attended by the three members of the SFC PRC, Project Managers for the on-site reclamation contractors and other members of the facility staff. This meeting is chaired by the SFC QA manager, who will record the minutes and assure that attendees sign an attendance record. At the conclusion of each meeting, the attendees will be asked to consider if any of the works plans, actions or decisions resulting from the meeting would constitute a change to the license application. If a change is identified, implementation will be deferred until the change is documented and approved by the PRC, or any required license amendment is approved by the NRC.

**Date when full compliance will be achieved**

SFC is in full compliance.

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<sup>1</sup> Sequoyah Fuels Corporation, Reclamation Plan Sequoyah Facility, April 2009; Attachment E, Disposal Cell Construction Plan for the Sequoyah Fuels Corporation Facility, as revised.

<sup>2</sup> Sequoyah Fuels Corporation, Reclamation Plan Sequoyah Facility, April 2009; Attachment A, Technical Specifications for the Sequoyah Fuels Corporation Disposal Cell, as revised.