

April 29, 2015

Mr. John H. Ellis, President
Sequoyah Fuels Corporation
P.O. Box 610
Gore, OK 74435

SUBJECT: THE U.S. NUCLEAR REGULATORY COMMISSION STAFF REVIEW OF
SEQUOYAH FUELS CORPORATION'S 2014 ANNUAL PERFORMANCE
BASED LICENSE REPORT AND NRC STAFF REQUEST FOR
SUBMITTAL REGARDING ROCK SELECTION

Dear Mr. Ellis:

The U.S Nuclear Regulatory Commission (NRC) staff has reviewed the Sequoyah Fuels Corporation's (SFC's) 2014 Annual Performance Based License Report and has the following comments:

Reclamation Plan, Attachment E "Disposal Cell Construction Plan":

- Section 1.3 Bullet 1 – Please explain the deletion of the last sentence: "The inside slopes of the perimeter embankment will be synthetically lined." No control number or change description was provided.
- Section 4.1 Second paragraph – The paragraph refers twice to a volume of disposed materials of 8 million cubic feet. A similar reference in Section 3.2 was revised to say 5.1 million cubic feet instead of 8 million cubic feet. To be consistent with your Change of License Correction, CL005, please revise the value to 5.1 million cubic feet or explain the discrepancy.

Technical Specifications:

- Section 6.3.4.2 – A sentence states that "voids larger than 6 inches in all dimensions ... shall be filled with random fill, sand, or grout prior to burial." Please define the term "random fill."

Rock Durability Information for Rock Sources:

SFC has revised its Reclamation Plan to include two new rock sources as a potential supply of riprap for the disposal cell in addition to the rock source that has already been approved by NRC. As discussed in an April 22, 2014, conference call, although one rock source has already been approved by NRC, SFC needs to determine whether a license amendment request is needed for NRC to approve the two new rock sources, in accordance with Condition 54 of SFC's license. The NRC staff requests that, within 30 days of this letter, you notify the NRC of your determination and indicate when SFC expects to submit a license amendment request or the reasons for not requiring a license amendment.

The 2014 Annual Performance Based License Report provided the durability test data and petrographic data for all three rock sources. Should you decide to submit a license amendment request, information such as evaluations of the rock sources, descriptions of SFC's sampling and testing (including representative samples), and SFC's evaluations of rock durability including the test results, absence of adverse features, and natural analogues that demonstrate long term resistance to weathering, and QA/QC rock production procedures will also need to be considered.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions concerning the above, please contact me at (301) 415-6664 or via e-mail at Kenneth.Kalman@nrc.gov.

Sincerely,

/RA/

Kenneth Kalman, Project Manager
Materials Decommissioning Branch
Division of Decommissioning, Uranium Recovery,
and Waste Programs
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-8027
License No.: SUB-1010

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