

July 31, 2015

Mr. John H. Ellis, President
Sequoyah Fuels Corporation
P.O. Box 610
Gore, OK 74935

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION APPROVAL OF REQUEST TO
INSTALL 2-FOOT THICK CLAY LINER AND HIGH DENSITY POLYETHYLENE
COVER ON THE SIDE SLOPES OF ON-SITE DISPOSAL CELL

Dear Mr. Ellis,

In accordance with License Condition 51.A, which requires Sequoyah Fuels Corporation (SFC) to submit a written request for U.S. Nuclear Regulatory Commission (NRC) approval prior to the installation of the radon barrier, by letter dated June 12, 2015, you requested the NRC approve the partial installation of a 2-foot thick, compacted-clay layer and a high density polyethylene (HDPE) cover on the side slopes of the on-site disposal cell. The letter stated that the installation of the clay layer and HDPE cover would prevent further erosion of the side slopes and the attendant suspended solids problems in its stormwater discharge.

The NRC staff has reviewed your request and approves the installation of the 2-foot clay layer and HDPE cover in order to prevent erosion of the side slopes. The installation should be performed in accordance with the instructions provided in Technical Specifications, Chapter 7 of the NRC-approved reclamation plan.

This approval is limited to the proposed work on the side slopes only and SFC must address the following outstanding issues before completing the final placement of the remainder of the radon barrier. These issues include the following:

- 1) Possible redesign of a portion of the cell due to placement of raffinate sludge and pond sediment bags inside the cell. As part of this redesign, the radon attenuation model should be re-evaluated to ensure that current design of the cover is adequate. The results of modeling could dictate a change in the thickness of the radon barrier.
- 2) Due to increase in cell height from what was previously authorized in NRC's approval of SFC's reclamation plan, the size of the rock that will be placed on the side slopes and apron at the toe of the slopes has been increased. SFC is in the process of selecting a new rock source. This letter only approves your installation of the 2-foot clay layer and liner on all four sides of the disposal cell. Therefore, you are requested to provide written notification to the NRC prior to any other cover installation work.
- 3) Removing felt, vegetative cover, and any other temporary erosion controls as part of the cover installation.

As we have discussed previously, you must inform the NRC when you have finalized your redesign of the cell with regards to location of raffinate sludge and pond sediment disposal and remodeling of the radon barrier. The NRC staff plans to review your completed analyses for these changes, in part, to determine if they will require prior NRC approval. The NRC also plans to conduct routine inspections, as necessary, to ensure that SFC constructs the disposal cell cover in accordance with license requirements.

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 email 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

J. Ellis

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Sincerely,

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