

1/24/92

cc: LT Callan
JP Sander
CL Cain

Note for: Terri Horn

From: J. Michael Vasquez
Linda L. Kasher

Subject: License Amendment Application for Jacquelyn Sue's
Corporation (SFC) dated January 6, 1992

We've reviewed SFC's amendment application and have the following comments.

1. SFC withdrew that portion of the September 1, 1991, Amendment and revision requesting addressing SFC's surface contamination guidelines and plans to resubmit this at a later date. In justification, SFC stated that in the absence of specific regulatory criteria, SFC believed it is essential to develop technically defensible guidelines which protect workers and the public, and which are consistent with regulatory intent.

Terri, we note that sufficient regulatory criteria exist for releasing materials to the unrestricted area and the identification of contamination in the unrestricted area. SFC's plan to develop guidelines for decontamination of facilities and equipment prior to release of unrestricted area or permission of license for unrestricted area of special nuclear material contain specific criteria. SFC's plan to characterize the present contamination levels in the unrestricted area, beta/gamma contamination and to develop and use the guidelines to decide the appropriate limits for release of material and equipment, and limits for contamination in the unrestricted area. However, what is the justification for withdrawing their plan to their surface contamination limits as stated in their application?

I think this is an important issue given the fact NRC found materials at a private residence off-site and the fact that SFC continues to find areas in the unrestricted area with high beta/gamma contamination levels. Reference SFC's letter notification to NRC on January 17, 1992, where SFC reported a maximum alpha cited contamination level of 1,000 dpm/100 square centimeters and a maximum beta/gamma cited contamination level of 792,000 dpm/100 square centimeters - almost a factor of 100 difference.

As best we know, their statement about the absence of specific regulatory criteria for surface (beta/gamma) contamination is true for restricted area only. If NRC accepts their statement that they need additional opportunity to evaluate and substantiate the surface contamination criteria, we recommend that NRC point out that the licensee has been evaluating this issue for over a year and ask SFC for a time frame when this evaluation will be completed and when SFC will resubmit these limits.

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1/7/92

2. SFC's letters of July 15, 1991, in response to the MAT report and January 3, 1992, make certain commitments to NRC that appear to conflict with license requirements. We recommend that SFC be requested to clarify these apparent conflicts at this time, since they are making an amendment request at this time. It is crucial that NRC have assurances that many of the changes being implemented are indeed permanent. This provides another reason the license should be modified. At the very least, amendments to the license should correct deficiencies in the items being changed and should also improve the license's enforceability. Currently, the license has many problems that make it difficult to enforce. We are not saying to revise the whole license, but to make certain changes, especially in cases where a particular commitment is especially important and in cases where a conflict exists between a recent SFC commitment and the requirements of their license.

The problems are as follows:

Section 1.2 defines the responsibilities of the Manager, Health and Safety and the Manager, Environmental. The Manager, Health and Safety is responsible for the efficient monitoring program. This appears to conflict with the goals defined for the Manager, Environmental, as defined in section 1.1. Also, SFC recently committed to further reorganization of these functions in order to clarify areas of responsibility. We recommend that NRC request further clarification of the responsibilities to prevent the types of communications problems and oversights that have occurred in the past.

- SFC committed to having the Nuclear Licensing Engineer review the departmental procedures with regard to compliance with regulations and regulatory standards. In the letter dated July 15, 1991, if this is not defined in the license under Section 1.1, the net effect may be that individual departments will reserve the right to change procedures for their own area of responsibility irrespective of the potential effect on other department procedures (H&S, Environmental, etc.). Furthermore, SFC has been making a multitude of commitments to NRC. If these are not captured in the central document, it becomes an inspection nightmare.

- SFC did not fully buy into the MAT recommendation that corporate H&S audits include a management assessment of the regulatory affairs group, but the license does state some requirements under Section 2.8. However, there are conflicts between sections 2.8, 2.9, and 3.3. We recommend that NRC request clarification in these sections, in light of the July 15, 1991, letter. Specifically, SFC should clarify how assessment of the regulatory affairs group is captured under the scope of the audit program, who will CONDUCT the audits, and who will oversee the process.

- Lastly, SFC has made commitments regarding its requirements for worker adherence to procedures. Such a statement should be included in its license.

Specific questions on item 1 should be addressed to Michael Vasquez

January 31, 1992

PRELIMINARY NOTIFICATION OF EVENT OR UNUSUAL OCCURRENCE -- PNO-IV-92-06

This preliminary notification constitutes EARLY notice of events of POSSIBLE safety or public interest significance. The information is as initially received without verification or evaluation, and is basically all that is known by the Region IV staff on this date.

FACILITY: Sequoyah Fuels Corporation
P.O. Box 610
Gore, Oklahoma 74435

Licensee Emergency Classification:
☐ Notification of Unusual Event
☐ Alert
☐ Site Area Emergency
☐ General Emergency
☒ Not Applicable

DOCKET: 40-8027
LICENSE: SUB-1010

SUBJECT: FIXED CONTAMINATION FOUND IN UNRESTRICTED AREA

On Wednesday, January 29, 1992, NRC inspectors conducting a team inspection at the Sequoyah Fuels Corporation (a subsidiary of General Atomics) discovered that elevated contamination levels had been found during November and December 1991 in the licensee's offsite Carlile Training Center. This contamination had been found as part of a licensee initiated program to survey unrestricted areas. Levels of contamination on miscellaneous articles (chairs, desks, storage boxes, air tanks, etc.) ranged (for fixed contamination) up to 30,000 dpm/100 cm² (beta-gamma) and on some items in the environmental laboratory, as high as 1,000,000 dpm/100 cm² (beta-gamma). The results of removable contamination surveys on the same articles were nominal (up to 200 dpm/100 cm² (beta-gamma)). The licensee confirmed that those items with the highest levels of fixed contamination were not routinely used by personnel and were not normally visited by the public.

The licensee had not taken measures to control or secure the contaminated items until they were discovered by the NRC Inspection Team. Additionally, one public meeting was held (on December 6, 1991) in the Carlile Training Center. This meeting was subsequent to the licensee's surveys performed in November 1991; however, the contaminated material was not stored in the area of the public meeting.

In response to NRC questions, the licensee has begun to remove the contaminated items for storage within the controlled area of the facility. The licensee has also initiated a survey of areas in the Carlile Training Center accessible to members of the general public to confirm that there was no contamination in these areas. Results of the survey are expected later on January 31 1992.

This information is current as of 10 a.m. CST as of January 31, 1992.

The licensee plans to issue a press release on January 31, 1992. Region IV plans to issue a press release today because a public exit meeting had earlier been announced for Monday, February 3, 1992, in the Carlile schoolhouse.

The state of Oklahoma has been informed.

Region IV received notification of this occurrence from the onsite inspection team. Region IV has informed EDO/NMSS/PA.

This information has been confirmed with a licensee representative.

CONTACT: L. J. Callan FTS 728-8106

RTV:D:DRSS

RA *(initials)*

DRP (8) RA/DRA (2)
DRS (1) RA Sct'y (1)
~~DRSS (1) PAO (1)~~
URFO (1) RSLO (1)
SAO (1) EO (1)

~~LJCallan~~ ~~1/31/92~~
~~1/31/92~~

I-22

Telephone Conversation Record

Bob Miller 2/6/92

Self Ident Vol - Just wanted to report (hasn't certain
whether written report was required)

20.205(b)(1)(v)

received sample (liquid sunny 19-20% U) Feb 3, 1992,
not surveyed until 2/4/92 @ 3⁰⁰ pm. No leaks, rad level
within normal limits

No vid of internal procedure - because the only receipt
procedure available covers receipt by sealed source
Advised of appropriate actions to take internally
(i.e. documentation of corrective measures, monitoring to assure
future compliance, etc) and reviewed criteria of Appendix C
as well as referencing the Information Note raised
by DOE regarding self identified violations.

cc:
EM Vazquez

I-23

February 13, 1992

PRELIMINARY NOTIFICATION OF EVENT OR UNUSUAL OCCURRENCE -- PNO-IV-92-12

This preliminary notification constitutes EARLY notice of events of POSSIBLE safety or public interest significance. The information is as initially received without verification or evaluation, and is basically all that is known by the Region IV staff on this date.

FACILITY: Sequoyah Fuels Corporation
Gore, Oklahoma
Docket No: 40-8027

Licensee Emergency Classification:
☐ Notification of Unusual Event
☐ Alert
☐ Site Area Emergency
☐ General Emergency
☒ Not Applicable

SUBJECT: DISCOVERY OF CONTAMINATION IN AN UNRESTRICTED AREA

On February 12, 1992, Sequoyah Fuels Corporation (SFC), a subsidiary of General Atomics, formally notified the NRC about their discovery of contaminated materials in an unrestricted area, on the licensee's property. After SFC personnel completed work in Pond 3E, an unrestricted area, they returned to the plant where they decided to monitor themselves, utilizing a contamination monitor, and found their boots contaminated. The health and safety (H&S) department was notified and the boots were controlled. Since the boots were new, a H&S technician was dispatched to survey the work area in Pond 3E. The technician informed licensee manager that a light residue was visible on the down slope of the pond, possibly where the water level had dropped. Contamination levels measured along dry portions of the residue indicated contamination levels as follows: maximum alpha direct 40,000 dpm/100 cm², maximum alpha removable 194 dpm/100 cm², maximum beta/gamma direct 50,000 dpm/100 cm², and maximum beta/gamma removable 923 dpm/100 cm². The licensee decided to temporarily control access to the pond, and notified NRC in accordance with 10 CFR 40.60(b)(1).

The ponds are part of the final treatment of the licensee's raffinate prior to its use as fertilizer. Pond 3E is the second in a series of four treatment and settling ponds. (Currently no fertilizer is planned to be spread on SFC lands until the spring.) Access to the ponds is through three gates which are locked during nonbusiness hours.

SFC is currently reviewing historical sludge sample results and will take a sample of the residue for analysis. Furthermore, SFC has surveyed other potentially contaminated areas and items.

The contamination monitor used is a very sensitive whole body survey instrument that SFC began using after issuance of an Order Modifying License and Demand for Information dated October 3, 1991.

A Region IV inspector will review the circumstances surrounding this event and the licensee's corrective actions during an onsite inspection next week. In the meantime, Region IV personnel will continue to follow the licensee's actions by phone.

The NRC office of NMSS and PAO have been informed. The state of Oklahoma has been informed.

RIV:D:DRSS
LUCATTAN:JK
02/13/92

RA
RDM:FLH
02/13/92

XEROX: DRP (8)
(26) DRSS (1)
DRSS (7)
HORN (1)

RA/DRA (2)
RA/SEC'y (1)
PAO (1)
DSIN (1)

I-25

The licensee has not issued a press release. NRC is prepared to respond to media inquiries.

This information has been confirmed with a licensee representative.

Contact: C. L. Cain, FTS 728-8186.

DISTRIBUTION:

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MAIL: DCS (Orig. IE34)
DOT (Transp. Only)

(5520: 2/13/92 @ 11:55
Regions & HQ)

(PHONE VERIF: __/__/92

NRR 964-1168 or 964-1166)

@ _____

February 27, 1992

PRELIMINARY NOTIFICATION OF EVENT OR UNUSUAL OCCURRENCE -- PNO-IV-92-15

This preliminary notification constitutes EARLY notice of events of POSSIBLE safety or public interest significance. The information is as initially received without verification or evaluation, and is basically all that is known by the Region IV staff on this date.

FACILITY: Sequoyah Fuels Corporation
P.O. Box 610
Gore, Oklahoma

License No. SUR-1010
Docket No. 40-8027

Licensee Emergency Classification:
----- Notification of Unusual Event
----- Alert
----- Site Area Emergency
----- General Emergency
----- ☒ Not Applicable

SUBJECT: DISCOVERY OF CONTAMINATION IN AN UNRESTRICTED AREA

On February 26, 1992, Sequoyah Fuels Corporation (SFC), a subsidiary of General Atomics, formally notified the NRC of their discovery of contamination located in the facility control room, an unrestricted area of the plant. The contamination was limited to instrument support racks on the rear of the instrument control panel. The rear of the control panel is accessible by a walkway to facilitate routine instrument maintenance. Entry to this area was restricted and posted as a "controlled access area" according to site procedures on February 26, and the licensee is evaluating the implementation of further protective controls while performing routine instrument maintenance until it is able to decontaminate the panel.

The contamination was initially discovered during surveys performed on November 5 and 6, 1991. Survey results revealed contamination levels as follows: alpha direct less than 339 dpm/100 cm², maximum alpha removable 376 dpm/100cm², maximum beta/gamma direct 44,800 dpm/100cm², and maximum beta/gamma removable 1,621 dpm/100cm². The beta/gamma values exceed SFC's established limit of 5000 and 1000 dpm/100 cm² for fixed and removable contamination respectively, but do not exceed the fixed or removable alpha contamination limits established by SFC.

The survey results were identified on February 25, 1992, as a result of a comprehensive review of previous unrestricted area surveys performed at the facility. This effort was undertaken by SFC as a corrective measure in response to the identification of contamination in other unrestricted areas of the facility, including the plant warehouse and Carlile Training Center. NRC reviewed similar surveys during a team inspection conducted at SFC on January 27 - February 3, 1992, and identified that the licensee had failed to take corrective measures in every case at that time. SFC is currently taking efforts to review all previous unrestricted area surveys and establish area controls as appropriate.

The NRC office of NMSS and PAO have been informed. The state of Oklahoma has also been informed.

The licensee has not issued a press release. NRC is prepared to respond to media inquiries.

D:DRSSJ RA *W*
LJCallan RDMartin
2/27/92 2/27/92

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This information has been confirmed with a licensee representative.

Contact: C. L. Cain, FTS 728-8186.

DISTRIBUTION:

OWFN			NMBB	FAX	MAIL: DCS (Orig. IE34)
The Chairman	CA	NMSS	AEOD	INPO	DOT (Transp. Only)
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EDO	L-ST		RES	Licensee	
	PDR			ACRS	(PHONE VERIF: / /92 @
				OCAA	NRR-964-1158 or 964-1166)

APR 22 1992

URFO:GRK
Docket No. 40-8027

MEMORANDUM FOR: Richard E. Cunningham, Director
Division of Industrial & Medical Nuclear Safety
Office of Nuclear Material Safety & Safeguards

FROM: L. J. Callan, Director
Division of Radiation Safety & Safeguards
Region IV

SUBJECT: REVIEW OF SEQUOYAH FUELS CORPORATION (SFC) GROUND-WATER
MONITORING PLAN

Our office is in receipt of SFC's Ground-Water Monitoring Plan dated March 31, 1992. As requested by your project management staff, I have had our regional inspector review this document. As was the case with other environmentally-related submittals at the site, Gary Konwinski was the reviewer. His comments are attached.

ORIGINAL SIGNED BY:
L.J. CALLAN

L. J. Callan, Director
Division of Radiation Safety
& Safeguards, Region IV

Attachment:
As stated

cc w/attch:
R. D. Martin, RIV
J. T. Greeves, NMSS
M. Tokar, NMSS
Merri Horne, NMSS
R. E. Hall, URFO

bcc:
PDR/DCS
URFO r/f
LJCallan, RIV
LLUR Branch, LLWM
GKonwinski

RIV:URFO:PM
GKonwinski/lv
04/22/92

D:DRSS
LJCallan
04/22/92

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