



UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

March 15, 1978

Mr. James M. Neel, President
and Chief Executive Officer
Nuclear Engineering Company, Inc.
9200 Shelbyville Road
Suite 526
P. O. Box 7246
Louisville, Kentucky 40207

Dear Mr. Neel:

During a February 13, 1978 meeting with the staff, NECO representatives gave us a short presentation on NECO's proposed investigative program which was in response to our concerns about sand formations beneath the site described in our December 16, 1977 request for additional information. At that meeting, the staff raised specific concerns about the proposed well depths (25-30 feet) and testing procedures, and requested that NECO formally submit the program, along with a detailed rationale for the field work, such that we would have an opportunity to review and comment on your proposal before NECO becomes committed to a specific course of action.

You have since provided us with your proposed program in a letter from T. Baer to M. Bell, dated February 27, 1978. We have reviewed this proposal and conclude that it does not provide the information requested during the February 13, 1978 meeting. Specifically, you have not provided the detailed rationale for the field work, the basis for the well depths, the justification for pumping only one well in each test series, or the proposed acceptance criteria for any of the series of tests. Additionally, the schedule chart on page 4 indicates that the field work has been completed. During the February 13, 1978 meeting the staff agreed to review and comment on your proposed program prior to the start of the field work phase (see March 2, 1978 memo from J. Thomas to M. Bell). The purpose of this review would have been to assess the adequacy of your proposed program before NECO had to fund the field work. Since you have elected to proceed with your program without seeking NRC approval of the concept, you should clearly understand that you do so at your own financial risk.

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Once you have completed your work and submitted the program results, we will review your submittal to determine whether or not the concerns expressed in this letter have been addressed and whether additional field work or analyses will be required to satisfy staff concerns regarding the adequacy of Trench 15. Therefore, it is our position that no radioactive material should be placed in Trench 15 until the staff completes its evaluation and is satisfied that no potential health and safety problems will develop.

During the February 13, 1978 meeting with NECO representatives, our staff expressed concerns as to NECO's planned operations at Sheffield once the present authorized burial space is exhausted. Unofficial estimates provided by your firm to date indicate that the present capacity would be exhausted by approximately April 1, 1978. To provide us with sufficient time to evaluate the potential impact of any action you may anticipate, we request that you inform us no later than March 24, 1978 whether or not you plan to store any radioactive wastes at the site once Trench 14-A is filled, and if so, what provisions will be taken to assure that your activities will not have a detrimental effect on the public health and safety, the environment, or potential decommissioning activities and expenses.

Sincerely,

Michael J. Bell
Michael J. Bell, Chief
Low-Level Waste Branch
Division of Fuel Cycle
and Material Safety