

APPENDIX A
NOTICE OF VIOLATION

Ferret Exploration Company of Nebraska, Inc.
Crow Butte ISL Facility
P.O. Box 169
Crawford, Nebraska 69339

Docket No. 40-8943

License No. SUA-1534

During an NRC inspection conducted on January 14, 1993, two violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violations are listed below:

- A. License Condition No. 42 of Source Material License SUA-1534 requires, in part, that all liquid effluents from process buildings and other process waste streams, with the exception of sanitary wastes, be returned to the process circuit.

Contrary to the above, on January 11, 1993, a pipeline failure at the licensee's site released approximately 23,000 gallons of lixiviant, an unknown volume of which escaped offsite. (40-8943/9301-01)

This is a Severity Level IV Violation (Supplement VI).

- B. License Condition No. 20 of Source Material License SUA-1534 requires, in part, that Standard Operating Procedures (SOPs) be established for all operational process activities involving radioactive materials that are handled, processed, or stored.

Contrary to the above, during the inspection conducted on January 14, 1993, the licensee had no SOP addressing construction, testing, operation, or maintenance of pipelines used to transport injection solutions containing source and byproduct material at the Crow Butte in situ leach facility, Crawford, Nebraska. Specifically, no SOP addressed tag-out or locking procedures for pipelines not prepared for operations. (40-8943/9301-02)

This is a Severity Level IV Violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, Ferret Exploration Company is hereby required to submit a written statement or explanation to the Regional Administrator, Region IV, with a copy to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an order or demand for

information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time

Dated at Denver, Colorado
this 26th day of *January* 1993