

RE: 9671-N

Certified Mail
Return Receipt Requested

Mr. Michael F. Weber, Chief
Low-Level Waste and Decommissioning
Projects Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Subject: License SUB-1010; Docket No. 40-8027
Letter Dated July 10, 1996, J.H. Ellis to M.F. Weber

Dear Mr. Weber:

As discussed in the referenced letter, Sequoyah Fuels Corporation (SFC) has retained the firm of Morrison-Knudsen Corporation (MK) to conduct a siting study for the purpose of locating potential disposal cell sites at or near the SFC Facility. MK has completed the initial review of site information collected thus far with respect to cell placement and has given SFC a preliminary report of their findings. This letter is to inform you of SFC's preliminary site selection.

Four potential locations were evaluated by MK in this siting study. The four locations are depicted on the enclosed Figure 1. All but the South Hill site were deemed to be clearly suitable for placement of the disposal cell contemplated by SFC when compared to criteria determined by MK to be applicable in this case. After review of the preliminary report, SFC has concluded that the Process Area Site, which is shown in more detail in Figure 2 enclosed, is the preferred location. This site will be analyzed further, particularly with respect to cost factors associated with construction sequencing, handling of some materials multiple times, etc., before the final selection is made.

This preliminary information is provided to you in an effort to help focus your review of site characterization information as you begin to develop the Environmental Impact Statement for SFCs decommissioning effort. The final site selection will be made and provided to you in the conceptual decommissioning report scheduled for submission

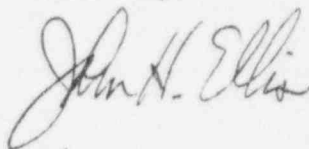
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Mr. Michael F. Weber
August 15, 1996
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later this year. Should you have any questions, please contact Craig Harlin at (918) 489-3386, or me at 489-3390.

Sincerely,

A handwritten signature in cursive script, reading "John H. Ellis".

John Ellis
President

XC: James C. Shepherd, NRC NMSS/LLDR ✓
Al Gutterman, Morgan, Lewis & Bockius

MORRISON KNUDSEN CORPORATION

MORRISON KNUDSEN CORPORATION

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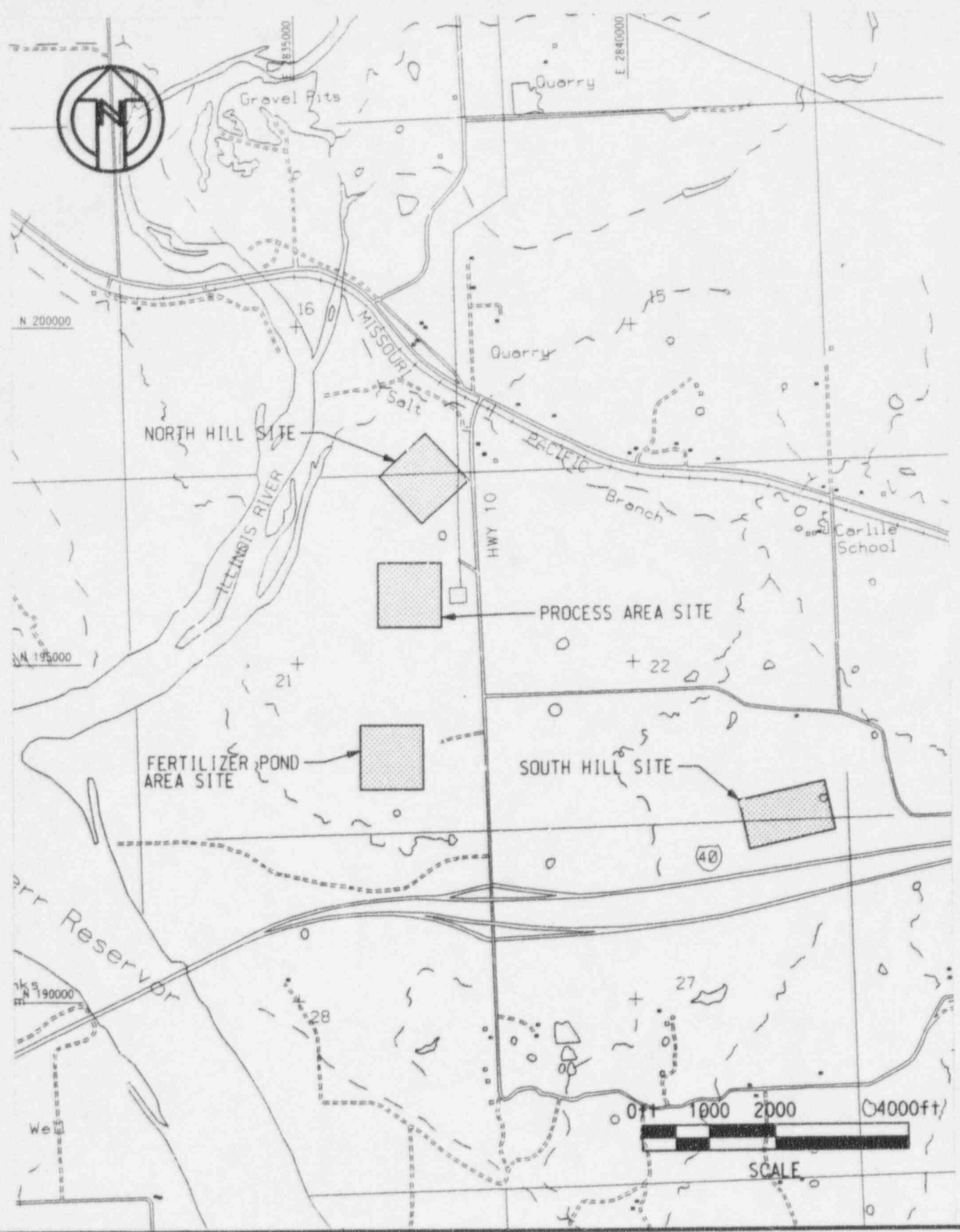


FIGURE 1
VICINITY MAP AND SITE LOCATIONS

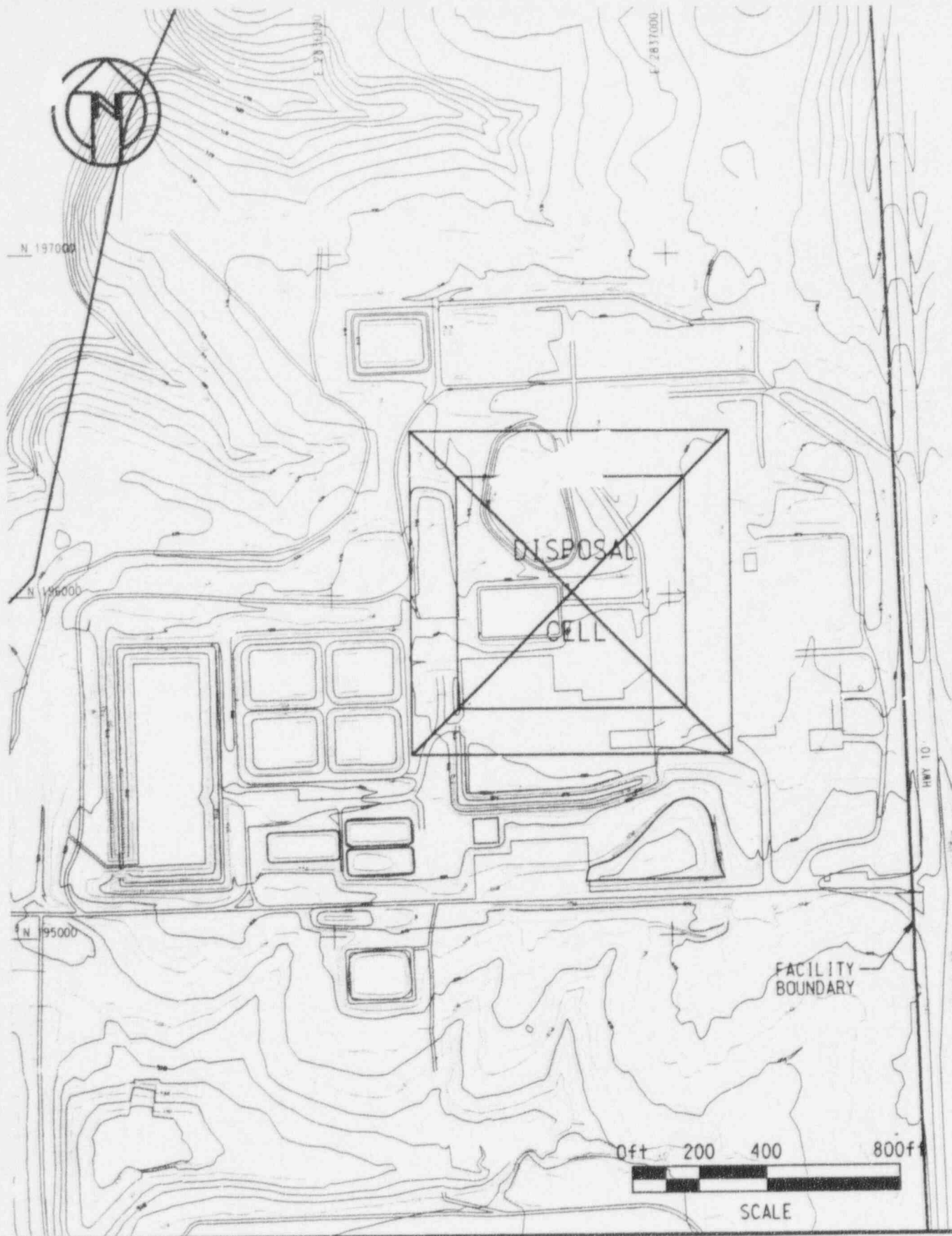


FIGURE 2
PROCESS AREA SITE

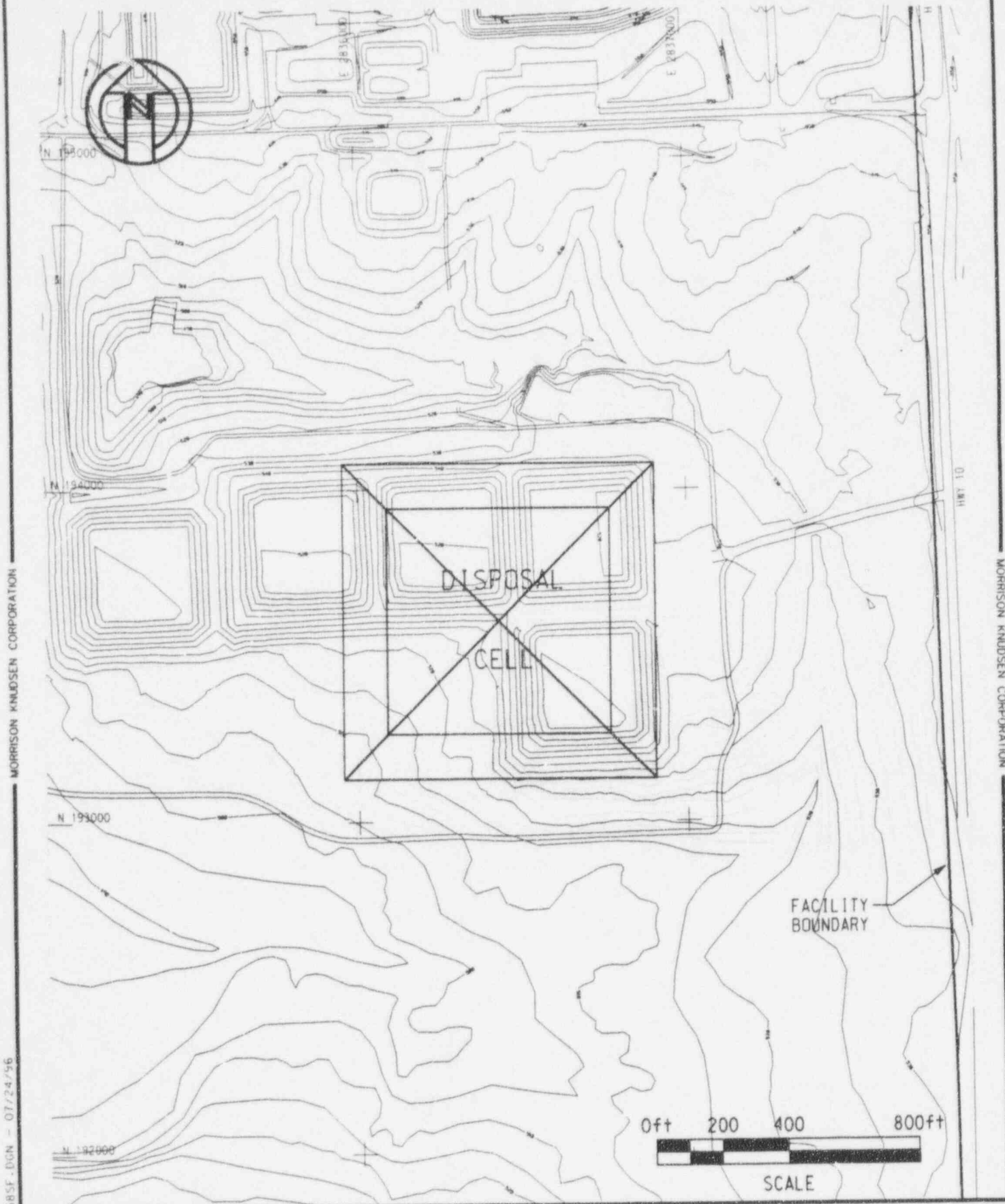


FIGURE 3
FERTILIZER POND AREA SITE



N 199000

E 2836000

E 2837000

N 198000

FACILITY
BOUNDARY

DISPOSAL
CELL

N 197000

N 196000

HWY 10



FIGURE 4
NORTH HILL SITE



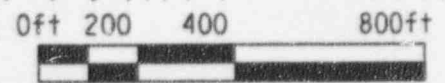
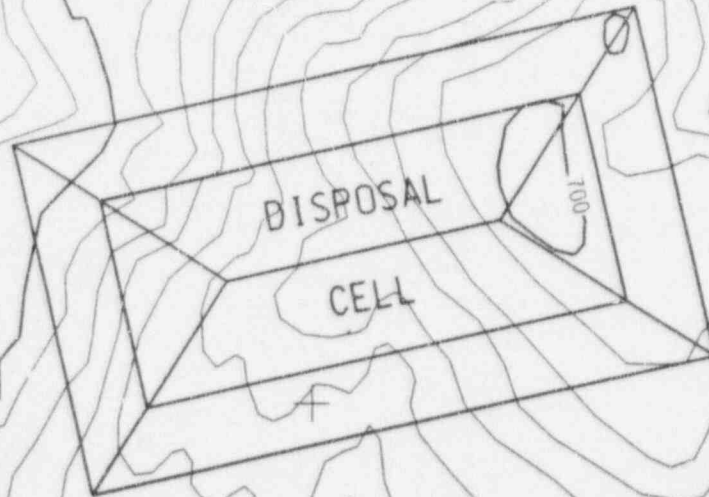
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SCALE

NOTE: CONTOURS ARE PRIOR TO I-40 CONSTRUCTION

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FIGURE 5
SOUTH HILL SITE