



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

OCT 24 1985

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Mr. Charles Barnes
1574 Bellevue Street, SE
Salem, OR 97301

IN RESPONSE REFER
TO FOIA-85-643

Dear Mr. Barnes:

This is in response to your letter dated September 16, 1985, in which you requested, pursuant to the Freedom of Information Act (FOIA), (1) a listing of active and inactive docket 40 licensees and their locations and (2) all documents from March 14, 1985, to the present relating to a Sequoyah Fuels Corporation (SFC) "O" and "Q" Sand ISL Project regarding operational concerns which were relayed to the Uranium Recovery Field Office staff from a former SFC employee.

With regard to category one, we are enclosing two computer printouts. These printouts are the only listings available for active and inactive Docket 40 licenses and provide the names and locations of the licensees. The staff has informed me that in most instances the place of use is the same as the mailing address. The charge for the enclosed printouts is \$15.31. For your information, there may be some additional inactive Docket 40 files that do not appear on these printouts. Any Docket 40 files that were retired before the computer system became operable in 1974 would not appear on the printout. Search would be required for the retired Docket 40 files. The staff has estimated it could take eight hours of clerical search time at \$5.00 per hour to search for records that would identify those Docket 40 files in retirement. If you wish us to conduct this search, please submit another FOIA request.

The three records listed on the enclosed appendix are subject to category two of your request. Please note that the NRC Form 591 is the requested June 3, 1985, report of inspection. No other records were found in NRC files subject to this category of your request.

You will be billed separately by our Division of Accounting and Finance in the amount of \$15.66 for the enclosed records.

Sincerely,

J. M. Felton, Director
Division of Rules and Records
Office of Administration

Enclosures: As stated

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APPENDIX

1. 06/17/85 Memorandum for Tom Nash, Region IV, from Paul R. Hildenbrand, URFO, subject: Follow-Up Investigation of Allegation Case No. RIV-85-A-0060. (3 pages)
2. 09/03/85 Memo for Tom Nash, Region IV, from Paul R. Hildenbrand, URFO, subject: Closeout of Allegation Case No. RIV-85-A-0060. (3 pages)
3. 06/03/85 NRC Form 591 - Report of Safety Inspection - Docket No. 40-8768, License SUA-1387. (1 page)

MAY 09 1985

URFO:PRH

Docket No. 40-8768

MEMORANDUM FOR: Docket File No. 40-8768

FROM: Paul R. Hildenbrand, Project Manager
Licensing Branch 1
Uranium Recovery Field Office, Region IVSUBJECT: SEQUOYAH FUELS CORPORATION "O" AND "O"-SAND ISL
PROJECT - OPERATIONAL CONCERNS RELAYED TO URFO STAFF
DURING A TELEPHONE CONVERSATION WITH A FORMER SFC
EMPLOYEE

URFO staff received a telephone call from a former Sequoyah Fuels Corporation (SFC) employee on March 4, 1985. This individual expressed concern about certain operational procedures that took place at the facility during the time he was employed with SFC. Major areas of concern were the NPDES discharge system and the "O"-Sand pre-operational soil sampling program. Specific comments of the former employee are presented below:

1.0 NPDES Discharge System

1.1 Elevated Ra-226 in sediments downstream from the discharge point.

1.1.1. After scraping the channel, SFC did not sample the fresh channel bottom. They installed a clean sand blanket and sampled the clean sand instead.

1.1.2. In early May and June 1984, SFC conducted a dye and high chloride test to determine the pond retention time. The fluid discharged during the test was reported as effluent to the creek, but was actually purged into the Bill Smith Mine.

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1.1.3. The settling ponds which were designed to remove radium from the water prior to discharge are not lined. During the 7-week shutdown period to correct a radium problem, the volume within one of the three settling ponds decreased from 2.5 million gallons to approximately 100,000 gallons. The seepage rate under the pond has been estimated by SFC to be 90 to 120 gpm. It has been postulated by the landowner and others that the seepage is migrating through an alluvial channel 1500 ft. to the north and manifesting itself as a "pond" in the middle of an alfalfa field. URFC staff have determined that the quality of the water seeping from the bottom of the pond will not significantly differ from that being discharged at the surface, since it is all the same water.

1.1.4. SFC was originally mixing 2000 gpm of Bill Smith Mine water with the ISL bleed stream. They are now only mixing 170 gpm with the ISL bleed stream (25-30 gpm). Therefore, the dilution factor is much less, and the potential for higher concentrations of toxic elements being sent down the creek is a reality. URFC staff have reviewed past data submitted by SFC and have not identified any trends in reported data.

2.0 0-Sand Pre-Operational Soil Samples

2.1 SFC pumped the 0-Sand wellfield wells to collect baseline data. Many of the wells have naturally high Ra and U concentrations. The discharge from these wells (approximately 500,000 gallons) was pumped onto the ground rather than into the evaporation ponds. Baseline soil samples were subsequently taken in this area, resulting in artificially high radium background concentrations in the soil (as much as 15 times higher than areas not contaminated with the well water).

Recommended Actions

The URFC staff has reviewed these comments and determined that they do not constitute violation of any license condition or applicable regulation. However, actions of this nature may indicate insufficient management control and represent items of concern to the NPC. It is

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therefore recommended that the URFO staff verify the validity of these complaints. It is recommended that these comments be considered items of concern during the forthcoming annual site inspection.

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Paul R. Hildenbrand, Project Manager
Licensing Branch 1
Uranium Recovery Field Office
Region IV

Original Signed By
Edward F. Hawkins
Approved by: Edward F. Hawkins, Chief
Licensing Branch 1
Uranium Recovery Field Office, Region IV

URFO 6 : URFO 674

PHildenbrand: EHawkins

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JUN 17 1985

URFO:PRH
Docket No. 40-8768

MEMORANDUM FOR: Tom Nash, Allegations Coordinator
Region IV

FROM: Paul R. Hildenbrand, Project Manager
Licensing Branch 1
Uranium Recovery Field Office, Region IV

SUBJECT: FOLLOW-UP INVESTIGATION OF ALLEGATION CASE
NO. RIV-85-A-0060

During a March 4, 1985 telephone conversation, a former Sequoyah Fuels Corporation employee related to URFO staff certain operational incidents which he felt should be brought to the attention of the NRC. URFO staff reviewed the items of concern and concluded that a follow-up investigation should be performed during the routine site inspection. The routine inspection was conducted on June 3, 1985. This memorandum presents the URFO staff findings related to the allegations reported in the memo to file, dated May 9, 1985.

Allegation No. 1

"The licensee did not sample the fresh channel bottom prior to placing the clean material in the stream." The URFO investigation resulted in the following findings:

The channel was excavated from the discharge point to a point about 300 feet downstream to a depth of 9 inches. The channel was returned to as near previous condition as possible by replacing the excavated material with soil borrowed from the Bill Smith Mine site. This material was analyzed for Ra-226 prior to emplacement in the stream channel to ensure it was uncontaminated. Samples were not taken from the excavated channel. The licensee assumed that all contaminated material was contained within the top few inches of material. A review of the docket file indicates no NRC requirement for them to sample the channel bottom

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as part of the mitigative action. However, at decommissioning, the licensee will be required to survey this area and clean up any residual contamination.

Allegation No. 2

"During the Spring of 1984, SFC performed a dye and chloride tracer test to determine the fluid retention time across the three holding ponds prior to being discharged to the creek. The fluid was reported as effluent to the creek, but was actually pumped into the Bill Smith Mine."

URFO investigators were informed by site management that the fluid was discharged to the creek. There are apparently no records available to verify where discharge may have taken place. It appears that the effects of discharging to the Bill Smith Mine are negligible.

Allegation No. 3

"Because the settling ponds are not lined, water is seeping into a dry alluvial channel and resurfacing about 1500 feet north in an alfalfa field."

Site management informed URFO investigators that seepage rates from the ponds are unknown, but are likely to be slight. URFO investigators were unable to locate the "pond" referred to in the allegation. As discussed in the memo to the file, dated May 9, 1985, the quality of any water seeping out of the pond should not be any worse than what is already being discharged to the surface. Accordingly, there is no apparent violation.

Allegation No. 4

"SFC was originally blending 2000 gpm of Bill Smith Mine water with a 30 gpm ISL bleed stream. They are now only blending 170 gpm of mine water with the same 30 gpm bleed stream. The dilution factor, therefore, is greatly reduced, increasing the potential for excessive concentrations of toxic elements (i.e., arsenic, selenium, etc.) to be released to the environment."

Effluent releases from the Bill Smith water treatment facility remain within the limits of the NPDES discharge permit. However, this permit does not require monitoring of such toxic parameters as arsenic and selenium. URFO investigators collected a water sample from the treatment

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facility discharge. This sample has been submitted for analysis of metals, including mercury, arsenic, selenium and uranium, and major anions. Should the analytical results indicate excessive concentrations of toxic parameters, the Wyoming Department of Environmental Quality will be notified of our findings.

Allegation No. 5

"Many of the "0"-Sand wells have naturally high radium concentrations. During well development and baseline data collection, these wells were pumped directly onto the ground (approximately 500,000 gallons total). Baseline soil samples were taken subsequent to this activity, resulting in artificially elevated baseline concentrations of radium in the soil (as much as 15 times higher than areas not contaminated with well water)."

URFO investigators noted gamma readings within the "0"-Sand wellfield area ranging from 21 to 30 ~~MR~~ R/hr. Background readings ranged from 15 to 18 ~~MR~~ R/hr. A total of four soil samples were collected by the URFO investigators. One was taken upgradient from the wellfield as a control, and three were taken within the wellfield area where gamma readings indicated a potential problem. These samples will be analyzed for Radium-226. Should results prove the allegation correct, the licensee will be required to revise their baseline soil data accordingly and decontaminate the affected areas during reclamation and decommissioning.

A copy of the analytical data will be forwarded to you with a memorandum of final recommendations as soon as it becomes available. Should you have further questions concerning any of the above, please do not hesitate to contact me at FTS 776-2812.

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Paul R. Hildenbrand, Project Manager
Licensing Branch 1
Uranium Recovery Field Office
Region IV

Original Signed By:
Edward F. Hawkins

Approved by:

Edward F. Hawkins, Chief
Licensing Branch 1
Uranium Recovery Field Office, Region IV

OFC	: URFO	: URFO	:	:	:	:
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