

MAY 25 1973

Chairman Ray  
Commissioner Ramey  
Commissioner Larson  
Commissioner Doub

(signed) LMM  
THRU: Director of Regulation

NOTICE OF HEARING: LICENSE AMENDMENT DENIAL

On May 10, 1972, the Kerr-McGee Corporation requested an amendment to its source material license which would authorize deep well disposal of radioactive raffinate wastes resulting from the production of uranium hexafluoride (a similar request was denied in October of 1970, but Kerr-McGee was permitted to withdraw its application without prejudice). On March 14, 1973, the Deputy Director for Fuels and Materials advised Kerr-McGee that its request had been denied on radiological health and safety grounds. It should be noted that since the license was denied in the first instance on these grounds, no determination was made as to whether the applicable environmental requirements set out in Appendix D to 10 CFR Part 50 had been satisfied. On April 5, 1973, Kerr-McGee requested a hearing on the denial, which it is entitled to under 10 CFR 2.103 of the Commission's "Rules of Practice."

Attached for your consideration is a proposed "Notice of Hearing" for publication by the Commission in the FEDERAL REGISTER. The proposed hearing would address itself only to the radiological health and safety considerations of the requested amendment, since these are the only considerations on which the denial is based. Should the hearing board disagree with the Staff's position and find that there would be no adverse radiological health and safety consequences stemming from issuance of the requested amendment, the board would be required by the notice to remand the application back to the Staff for a determination as to whether all applicable environmental considerations have been satisfied.

L: F&M RE  
SHS:ley  
5/18/73

(Signed) John F. O'Leary  
John F. O'Leary  
Director of Licensing

Attachment:

OFFICE	"Notice of Hearing"	DL	
SURNAME	Kinsey Murray	JFO'Leary	8512180316 730525 PDR ADOCK 04008027 C PDR
DATE	5-16-73	5/ /73	

UNITED STATES OF AMERICA  
ATOMIC ENERGY COMMISSION

In the Matter of

Kerr-McGee Corporation  
Kerr-McGee Building  
Oklahoma City, Oklahoma

}  
} Amendment to Source  
} Material License SUB-1010  
}

NOTICE OF HEARING

The Kerr-McGee Corporation, Kerr-McGee Building, Oklahoma City, Oklahoma ("the licensee") is the holder of Source Material License No. SUB-1010 issued by the Atomic Energy Commission ("the Commission"). The license, issued on February 20, 1970, authorizes the use of source material in the production of uranium hexafluoride under certain conditions specified therein, and expires on February 28, 1975. On April 10, 1970, the licensee requested a license amendment which would permit, among other things, subsurface disposal of certain liquid radioactive wastes. By letter dated October 15, 1970, the Deputy Director for Fuels and Materials ("Deputy Director") advised the licensee that the requested amendment had been denied and specified the reasons therefor. During the thirty day period provided for in the letter within which the licensee could request a hearing, the licensee requested to be permitted to withdraw its application without prejudice. By letter dated March 18, 1971, the Deputy Director approved the licensee's request.

On May 10, 1972, the licensee again requested a license amendment which would authorize subsurface disposal of certain liquid

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radioactive wastes. The amendment requested would permit the licensee to utilize deep well disposal of raffinate wastes generated from its solvent extraction uranium purification process at its Sequoyah facility. By letter dated September 29, 1972, the Deputy Director advised the licensee that its amendment request had been denied and specified the reasons therefor. After consideration of additional information submitted by the licensee, the Deputy Director, by letter dated March 14, 1973, affirmed the denial of September 29, 1972. On April 5, 1973, the licensee requested a hearing on the matter of the denial, pursuant to the provisions of 10 CFR 2.103.

The Deputy Director, pursuant to the Atomic Energy Act of 1954, as amended, and 10 CFR Part 40, denied the application of May 10, 1972 after determining that issuance of the license amendment would not conform with the requirements set forth in 10 CFR 40.32(c) and (d) because:

1. Existing information is not adequate to demonstrate the presence, location, or nature of the faults that are purported to provide barriers to movement of fluid from the disposal formation, nor is there adequate information to demonstrate that known faults will act as barriers to such movement during continued operation of the proposed well.

2. The complexity of the geologic formation is such that there is no assurance as to the migration paths of the radioactive wastes and the brines which would be displaced.
3. The complexity of the geologic and hydrologic system effectively precludes emergency recovery of the injected radioactive waste.

In view of the above determination with respect to matters of radiological health and safety, no findings were made by the Deputy Director with respect to whether, pursuant to 10 CFR 40.32(e), any applicable requirements in regard to environmental matters as set out in Appendix D of 10 CFR Part 50 had been satisfied.

Pursuant to the Atomic Energy Act of 1954, as amended, and the regulations in Title 10, Code of Federal Regulations, Part 2, "Rules of Practice," notice is hereby given that a hearing will be held, at a time and place to be set in the future by an Atomic Safety and Licensing Board ("the Board") to consider the May 10, 1972 application for amendment of Source Material License No. SUB-1010 held by the licensee. The Board will be designated by the Chairman of the Atomic Safety and Licensing Board Panel. Notice as to its membership will be published in the FEDERAL REGISTER.

The Board will consider and initially decide, as the issues in this proceeding, whether, pursuant to the Atomic Energy Act of 1954, as amended, and in accordance with 10 CFR 40.32(c) and (d):

- 2a-111 1. The licensee's equipment, facilities, and procedures proposed for use pursuant to the requested amendment are adequate to protect health and minimize danger to life or property; and
2. The issuance of the amendment will be inimical to the health and safety of the public.

If, upon consideration of the record developed in this proceeding, the Board makes an affirmative finding with respect to Item 1 and a negative finding with respect to Item 2, the application shall be remanded to the Deputy Director for such further action thereon as may be required.

A prehearing conference or conferences will be held by the Board, at a date and place to be set by it, to consider pertinent matters in accordance with the Commission's "Rules of Practice." The date and place of the hearing will be set by the Board at or after the prehearing conference. Notices as to the dates and places of the prehearing conference and the hearing will be published in the FEDERAL REGISTER.

An answer to this notice, pursuant to the provisions of 10 CFR 2.705, must be filed by the licensee not later than twenty (20) days from the date of publication of this notice in the FEDERAL REGISTER.

Papers required to be filed in this proceeding may be filed by mail or telegram addressed to the Secretary of the Commission, U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Chief, Public Proceedings Staff, or may be filed by delivery to the Commission's Public Document Room, 1717 H Street, N.W., Washington, D.C.

Pending further order of the Board, parties are required to file, pursuant to the provisions of 10 CFR 2.708, an original and twenty (20) conformed copies of each such paper with the Commission.

Pursuant to 10 CFR 2.785, the Commission authorizes an Atomic Safety and Licensing Appeal Board to exercise the authority and perform the review functions which would otherwise be exercised and performed by the Commission. The Appeal Board will be designated pursuant to 10 CFR 2.787, and notice as to its membership will be published in the FEDERAL REGISTER.

FOR THE ATOMIC ENERGY COMMISSION

Dated at Bethesda, Maryland  
this        day of May, 1973.

General Gossick:

Please schedule the attached as a  
Consent Calendar Item.

LMM 5/23

*Keep w/ (yellow)*