



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

May 8, 1997

John H. Ellis, President
Sequoyah Fuels Corporation
P.O. Box 610
Gore, Oklahoma, 74435

SUBJECT: NRC INSPECTION REPORT 40-8027/97-01 AND NOTICE OF VIOLATION

Dear Mr. Ellis:

Thank you for your letter dated April 8, 1997, in response to our letter and Notice of Violation dated March 15, 1997. We have reviewed your reply and find it responsive to the concerns raised in our Notice of Violation. We will review the implementation of your corrective actions during a future inspection to determine that full compliance has been achieved and will be maintained.

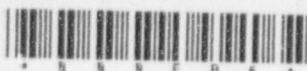
Sincerely,

Linda Howell
for Ross A. Scarano, Director
Division of Nuclear Materials Safety

Docket: 40-8027
License: SUB-1010

cc w/enclosure:
Oklahoma Radiation Control Program Director

150027



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John H. Ellis, President

-2-

E-Mail report to Document Control Desk (DOCDESK)

bcc w/copy of licensee's letter dated April 8, 1997:

DCD (IE07)

RIV Regional Administrator

CLCain

DBSpitzberg

LLHowell

FAWenslawski

LCCarsonII, NMLB

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John H. Ellis, President

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April 8, 1997

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U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

RE: License SUB-1010; Docket No. 40-8027
Reply to Notice of Violation
NRC Inspection Report No. 40-8027/97-01

Please find enclosed Sequoyah Fuels Corporation's response to Notice of Violation pursuant to the provisions of 10 CFR 2.201.

In its transmittal letter, the NRC stated that this violation is of concern because data from a radiation detection instrument which had not been calibrated on a frequency specified in SFC procedures was used to demonstrate that property outside the restricted area was not contaminated. While this violation is also a concern to SFC management, we believe that the use of this instrument outside of the procedural calibration interval did not impede its ability to produce acceptable results. During the period of operation outside the procedural calibration interval, the instrument's operability was demonstrated daily by procedure, as discussed in the inspection report. Additionally, when the instrument was returned to the manufacturer for re-calibration, the "as-found" condition of the digital readout was within the acceptable tolerance for this device. Thus, the data collected with the instrument is valid and defensible.

Data collected with this instrument was only used to identify additional sampling locations in order to enhance site characterization activities. All areas surveyed with the instrument, including those where the instrument indicated that only background levels were present, were systematically sampled to determine soil concentrations of Facility constituents. Gamma radiation readings collected from soils in areas adjacent to the Facility were compared to background gamma radiation readings collected with the same instrument from soils in areas not influenced by plant operations. Soils adjacent to the Facility that were found to exceed background levels were sampled to determine the concentration of Facility constituents in the soil. No attempt was made to correlate the response of the instrument to a specific concentration of radioactive material in soil for the purpose of demonstrating compliance with any published release criteria.

97-0960

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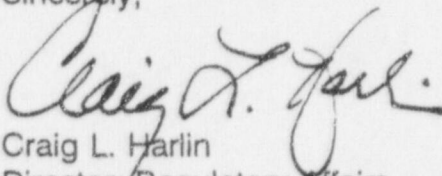
NRC

April 8, 1997

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In summary, the instrument was checked for operability daily and found to be within procedural acceptance criteria, and the data gathered with the instrument was not used on a quantitative basis for releasing property for unrestricted use. SFC believes that operation of the instrument outside our procedural calibration interval did not bear negatively on the use of information gathered with it. However, since SFC considers any violation of its procedures to be a serious matter, actions have been taken to correct the identified deficiency and to prevent recurrence.

Sincerely,



Craig L. Harlin
Director, Regulatory Affairs

Enclosure

XC: L. J. Callan, Region IV ✓
James C. Shepherd, NMSS/LLDP

Reply to a Notice of Violation

Sequoyah Fuels Corporation (SFC)

Docket No. 40-8027
License No. SUB-1010
Item No. 9701-01 VIO

Statement of Violation

License Condition 9 authorizes use of licensed material in accordance with the statements, representations, and conditions contained in chapters 1-7 of the license renewal application dated August 23, 1985, as supplemented.

Chapter 3, Section 3.3.3, of the license renewal applications states, in part, that instruments shall be calibrated at least every 6 months.

Contrary to the above, a Ludlum 2221 ratemeter and 2" x 2" sodium iodide detector used for conducting health physics surveys from November 28, 1995, to June 21, 1996, was not calibrated between September 21, 1995, and December 17, 1996. Thus, the instrument was used for 3 months after it was due for calibration on March 21, 1996.

Reason for the violation

The calibration was performed by the instrument manufacturer who placed a calibration sticker on the instrument specifying a calibration interval of one year. Due to an oversight by the SFC staff, the instrument was not added to the SFC procedure that specifies a six month calibration interval for health physics instruments. As a result, the calibration sticker placed on the instrument by the manufacturer was not changed to the six month interval specified by SFC procedure.

Corrective steps that have been taken and the results achieved

The calibration due date posted on the subject instrument has been revised to reflect a six month calibration interval.

The requirement for radiation detection instruments to be calibrated at least every six months was emphasized by the Manager, Health and Safety to the Health and Safety Department staff.

A special instruction requesting a six month calibration interval was added to the form used for returning radiation detection instruments to the manufacturer used by SFC for calibration of such.

Reply to a Notice of Violation
April 8, 1997
Page 2 of 2

A verbal request for radiation detection instruments to be assigned a six month calibration interval was made to the manufacturer used by SFC for calibration of radiation detection instruments.

The Health and Safety Supervisor completed a review of all in-service radiation detection instruments and verified that each was marked with a six month calibration interval.

The procedures governing calibration and daily check of radiation detection instruments were revised to specifically include the subject instrument.

Corrective steps that will be taken to avoid further violations

The corrective steps that have been taken are sufficient to preclude recurrence of this violation.

Date when full compliance will be achieved

SFC is currently in full compliance with the subject requirement.