

Specialty Chemicals

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July 13, 2001

Certified Mail:
2617-2012

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

Re: Notification for Exceeding Nearest Resident Concentration
License No.: SUB-526 Docket No.: 40-03392

Dear Sirs:

This letter is our written notification that the Metropolis facility has exceeded the nearest resident radioactivity concentration of $3.0E-14$ $\mu\text{Ci/ml}$ for the second quarter of 2001. The second quarter average is $3.73E-14$ $\mu\text{Ci/ml}$ or 124.3% of the quarterly limit as outlined in the NRC license, section 4.1.1. The year to date average for the first and second quarters is $2.48E-14$ $\mu\text{Ci/ml}$ or 82.5% of the quarterly limit.

➤ **Cause for exceeding limit:**

Metropolis Works has received several thousand 55-gallon drums of hard or wet ore concentrates from Sequoyah Fuels, which were stored on the northeast pad. This facility cannot process hard ore concentrates at the present time; it must be free flowing material in order to dump into the process. Many of these drums have deteriorated over time and have spilled uranium to the pad. We have been repackaging the deteriorated drums into 85 gallon over-pack drums and relocating all the hard ore concentrate drums to a covered building. Some of the drums have deteriorated to the point that they fall apart when moved and this requires shoveling up the material into another drum. We have recognized for some time that these drums would require repackaging if they were transported off site for processing at a mill. The charges for off site processing, transportation, and safety for Metropolis employees handling the drums on site have been of great concern. The bulk of this work was performed during good weather conditions in the second quarter of 2001. Unfortunately, the predominate wind direction has been from a southern direction. We stopped the repackaging several times when wind conditions were higher than normal. Our main goal has been to repackage the leaking drums into over packs, prevent future spills, and relocate all this material to a cover building. Our concerns were conveyed to the NRC inspectors and it was noted as an IFI in a quarterly inspection. The NRC inspection report [Number 040-0039021 2000-005 (DNMS)], dated December 18, 2000 addressed this issue as an Inspection Follow-up Item (IFI 040-00392/2000-005-02)

NMSSO Public

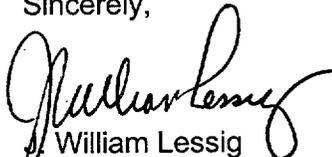
➤ **Corrective actions to reduce airborne radioactivity:**

At the present time this drum repackaging/relocation to a covered building is 90% complete. We have performed additional fence line air monitoring to determine that the work on the hard ore pad is the major source of uranium airborne activity.

After the drums are removed and pad decontamination completed, the airborne radioactivity should return to normal levels. It is estimated that it will take approximately three weeks to complete this phase of the project. We feel it is in the best interest of the employees and the environment to complete this phase as quickly as possible.

This facility has also submitted an appropriation request for additional monies to process all the hard ore concentrates. This project will require refurbishing the Ponds Mud Calciner and associated environmental control equipment to process this material at Metropolis Works. This will eliminate all the hard ore drums received from Sequoyah Fuels, and allow the facility to process future hard ore concentrates as needed. This phase of the project should be complete in the first quarter of 2002.

Sincerely,



William Lessig
Plant Manager

JWL/sm

cc: M. L. Shepherd
H. C. Roberts

U.S. Nuclear Regulatory Commission
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Div. Of Fuel Cycle Safety & Safeguards, NMSS
Washington, DC 20555

U.S. NRC, Region III
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U.S. NRC
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