

CIMARRON CORPORATION

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February 25, 2004

Mr. Kenneth Kalman
Low-Level Waste & Decommissioning Projects Branch
Division of Waste Management
Office of Nuclear Materials Safety & Safeguards
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

Re: Docket No. 70-925; License No. SNM-928
Regulatory Treatment of Areas Exceeding Groundwater Criteria

Dear Mr. Kalman:

This letter follows our January 26, 2004 conference call discussions relative to the potential re-licensing of a portion of Sub-Area C already released from License SNM-928. During these discussions, you indicated that NRC management is considering re-licensing that portion of Sub-Area C in which groundwater concentrations exceed the decommissioning criteria. This issue has previously been addressed by NRC.

In a letter dated October 3, 2000, NRC stated, "...the U.S. Nuclear Regulatory Commission (NRC) staff has become aware that the uranium contaminated groundwater plume emanating from Burial Area 1 has migrated into Subarea C, an unaffected area that was released from your license in April 1996".

In a letter dated February 5, 2002, NRC addressed the regulatory treatment of the uranium contaminated groundwater plume in Sub-Areas F and C of the Cimarron site. This letter stated, "The NRC staff has considered the regulatory issues regarding the groundwater plume and determined that it should be remediated under Site Decommissioning Management Plan (SDMP) criteria. However, the total uranium concentration for groundwater in this plume will be subject to the 180 picocuries per liter release criteria, pursuant to License Condition 27(b) of your license (SNM-928)". ...

"The NRC staff reviewed your dose assessment for human consumption of cattle and deer meat raised in the vicinity of Subareas F and C. Because of the low dose (0.02 mrem/yr) for these pathways, there is no need to take specific action to restrict access to these pathways. The threshold for taking immediate action to restrict access to a pathway is 100 mrem/yr". ...

"Cimarron staff have advised us that Cimarron Corporation still owns the Subareas that NRC has released from its license for unrestricted use and is no longer allowing cattle to graze on Cimarron property. We also understand that Cimarron Corporation intends to maintain control over the

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Cimarron property until its license has been terminated. The NRC staff considers this a prudent approach in light of the discovery of a groundwater plume in Subareas F and C. Please advise us in writing, immediately, if you transfer control of any portion of the Cimarron site to another person, or if others resume non-licensed activities at the site (such as cattle grazing or hunting) before the license is terminated".

As NRC noted, the potential dose associated with these areas is a small fraction of the dose limit to a member of the public under the existing land use scenario. Cimarron has not transferred control of any portion of the Cimarron site or resumed any non-licensed activities at the site. Cimarron plans to continue to maintain control over the entire Cimarron property until license termination, which will not take place until groundwater concentrations are less than the limit stipulated in License Condition 27(b). Any licensing action to incorporate such an area is inappropriate and inconsistent with previous regulatory treatment.

However, Cimarron understands NRC concerns that these areas, which require groundwater remediation, appear to be outside of license controls. Consequently, Cimarron is willing to incorporate areas in which groundwater exceeds license criteria into adjacent Subareas which are still under license, provided:

- NRC continues to regulate the decommissioning of these areas under the SDMP program, concurring with Cimarron's understanding that because there is no new license, the License Termination Rule does not apply to these areas;
- NRC agrees that final status surveys need not be repeated in these newly incorporated areas (provided groundwater remediation activities do not result in a new ground surface, such as would result from the excavation and replacement of the aquifer);
- NRC agrees that license criteria stipulated in condition 27(b) and 27(c) apply to these areas;
- Policy issues related to NRC's potential interpretation that the establishment of a forward in-situ reactive zone may constitute an engineered barrier does not force implementation of the LTR, nor does it require a restricted release for these areas.

Cimarron would like to meet with NRC legal and decommissioning personnel who would be able to discuss these issues and agree on a resolution. We are willing to travel to Rockville to meet with you and request a meeting at the earliest possible date. We believe that resolution of these issues will help us achieve our common objective: to complete decommissioning in a timely manner and achieve unrestricted release of the property and termination of the license. If you have questions or comments, please call me at 405-282-5680, ext. 120 (Cimarron) or 918-223-2522 (Cushing).

Sincerely,



Jeff Lux
Manager, Planning and Regulatory Compliance

xc: D. Blair Spitzberg, NRC Region IV