

**MATERIALS LICENSE**

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and the applicable parts of Title 10, Code of Federal Regulations, Chapter I, Parts 19, 20, 30, 31, 32, 33, 34, 35, 36, 39, 40, 51, 70, and 71, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee	
1. Sequoyah Fuels Corporation	3. License Number SUB-1010, Amendment 31
2. Sequoyah Facility I-40 and Highway 10 Gore, Oklahoma 74435	4. Expiration Date September 30, 1990
	5. Docket No. 40-8027 Reference No.

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| <p>6. Byproduct Source, and/or Special Nuclear Material</p> <p>A. Source<br/>11e.(2) byproduct material<br/>[Applicable Amendment: 29]</p> | <p>7. Chemical and/or Physical Form</p> <p>A. Any form</p> | <p>8. Maximum amount that Licensee May Possess at Any One Time Under This License</p> <p>A. 20 million MTU</p> |
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**SECTION 9:**

9.1 Authorized use: For use in accordance with the statements, representations, and conditions contained in Chapters 1 through 7 of the license renewal application dated August 23, 1985; supplements dated February 16, 1993, July 7, 1993, [Amendment #20--C-Plan, September 2, 1994; November 21, 1994; January 9, 1995], [Amendment #21--Reorganization, May 6, 1994; November 23, 1994; March 3, 1995], [Amendment #22--Well-Plugging, October 3, 1994; February 9, 1996], [Amendment #23--Part 20, July 19, 1994; February 2, 1996; April 2, 1996; September 27, 1996], [Amendment #24--Chapter 6, November 18, 1996], [Amendment #25--Paragraph 9, December 3, 1997],[Amendment #26-- Chapter 5, March 30, 1998], [Amendment #27 -- off-site air sampling, October 14, 1998], and [Amendment #28-- UF<sub>6</sub> cylinder area restrictions, November 19, 1999], which are hereby incorporated by reference, except where superseded by license conditions below.

Whenever the word "will" or "shall" is used in the above referenced documents, it shall denote a requirement. Notwithstanding the above, the following conditions shall override any conflicting statements contained in the licensee's application and supplements.

[Applicable Amendment: 29]

9.2 All written notices and reports to NRC required under this license shall be addressed to the Chief, Fuel Cycle Facilities Branch, c/o Document Control Desk, Division of Fuel Cycle Safety and Safeguards, Office of Nuclear Material Safety and Safeguards, U. S. Nuclear Regulatory Commission, 11545 Rockville Pike, Two White Flint North, Rockville, MD 20852-2738.

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Required telephone notification shall be made to the NRC Operations Center at (301) 816-5100, unless otherwise specified in license conditions.

[Applicable Amendment: 29]

- 9.3 The licensee shall comply with the provisions of the Settlement Agreement between Sequoyah Fuels Corporation and the NRC dated August 18, 1995.

SFC's currently approved surety instruments, an escrow account to provide financial assurance for decommissioning the Sequoyah Facility, shall be continuously maintained in the sum total amount of no less than \$750,000. In addition, the licensee shall continuously maintain a Standby Trust Agreement, to which SFC may add funds from time to time, which funds shall be devoted to the completion of decommissioning, reclamation and closure of the Sequoyah Facility.

[Applicable Amendment: 29]

- 9.4 The licensee shall follow the guidance set forth in U.S. Nuclear Regulatory Commission, Regulatory Guides 8.22, "Bioassay at Uranium Recovery Facilities," 8.30, "Health Physics Surveys in Uranium Recovery Facilities," and 8.31, "Information Relevant to Ensuring that Occupational Radiation Exposure at Uranium Recovery Facilities will be As Low As is Reasonably Achievable (ALARA)," or NRC-approved equivalent.

[Applicable Amendment: 29]

10. Authorized place of use: The licensee's existing facilities at Gore, Oklahoma.
11. Deleted.
12. Deleted.
13. Deleted.
14. Deleted by Amendment 29.
15. Deleted
16. Deleted.
17. Deleted by Amendment 29.
18. Deleted.

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19. Deleted.

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21. Deleted.

22. Deleted.

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24. The licensee shall perform representative sampling of the workers' breathing air when measurements of concentrations of radioactive materials in air are necessary to demonstrate compliance with 10 CFR 20.1204.

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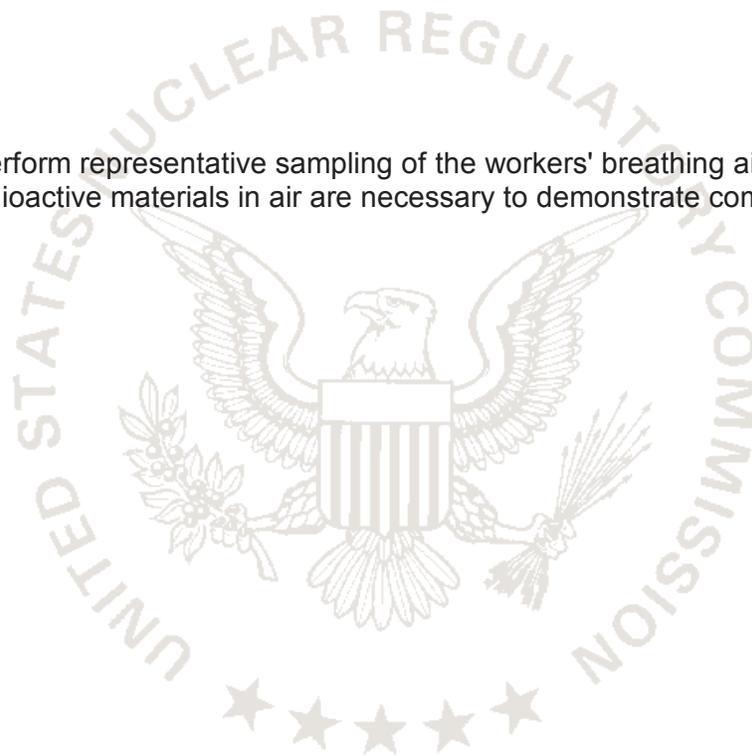
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39. Deleted.

40. Deleted.

41. Any natural or depleted UF<sub>4</sub> produced by the UF<sub>6</sub> Reduction Plant that is not suitable for sale or recycle shall be shipped to an authorized facility for disposal.

42. Any time uranium in a worker's urine specimen exceeds 15 micrograms per liter (µg/l), the annual ALARA audit will indicate what corrective actions were considered or performed.

[Applicable Amendment: 29]

43. Any time a uranium action level of 35 µg/l for two consecutive urine specimens or 130 µg/l for any one specimen is reached or exceeded, the licensee shall provide documentation within 30 days to the NRC indicating what corrective actions have been performed.

[Applicable Amendment: 29]

44. Spills, Pond Leaks, Leaks, Excursions, and Incident/Event Reporting

Until license termination, the licensee shall maintain documentation on unplanned release of source or 11e.(2) byproduct materials (including extraction solutions) and process chemicals. Documented information shall include, but not be limited to: date, volume, total activity of each radionuclide released, radiological survey results, soil sample results (if taken), corrective actions, results of post remediation surveys (if taken), and a map showing the spill location and the impacted area.

The licensee shall have procedures which will evaluate the consequences of the spill or incident/event against 10 CFR 20, Subpart "M," and 10 CFR 40.60 reporting criteria. If the criteria are met, then the licensee shall report to the NRC Operations Center as required.

If the licensee is required to report any spills, pond leaks, excursions of source, 11e.(2) byproduct material, and process chemicals that may have an impact on the environment, or any other incidents/events to State or Federal agencies, a report shall be made to the NRC Region IV Uranium Recovery Branch Chief and NRC Headquarters Project Manager by telephone or electronic mail (e-mail) within 48 hours of the event. This notification shall be followed, within thirty (30) days of the notification, by submittal of a written report to NRC Region IV and NRC Headquarters as per License Condition 9.2, detailing the conditions leading to the spill or incident/event, corrective actions taken, and results achieved.

[Applicable Amendment: 29]

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45. The licensee shall, at least three months prior to license termination, provide a report which demonstrates the site has met all applicable provisions for license termination and transfer of the facility to the government for long-term custody in accordance with 10 CFR Part 40, Appendix A, Criterion 11. Specifically, the licensee shall document that: (1) the concentrations of all of the listed hazardous constituents at the POC are within their designated concentration limits (standards); (2) if a corrective action program was carried out, that the hazardous constituents contaminating the groundwater were returned to their designated limits; and, (3) the facility has been properly decontaminated and decommissioned in accordance with the decontamination and decommissioning plan proposed by the applicant in the license application approved by the NRC. The license termination will not occur until the licensee has demonstrated that these actions have been completed.

[Applicable Amendment: 29]

46. The Licensee shall perform and document daily inspections of tailings and waste retention systems during normally scheduled workdays.

[Applicable Amendment: 29]

47. A ground-water corrective action plan will be submitted to the NRC on or before June 15, 2003.

[Applicable Amendment: 29]

48. A reclamation plan, including completion milestones, will be submitted to the NRC on or before March 15, 2003.

[Applicable Amendment: 29]

49. The licensee shall implement a groundwater compliance monitoring program containing the following:

- A. Implement a groundwater compliance monitoring program as described in the licensee submittal dated February 25, 2005. All sampling points identified in table 4 of that submittal shall be designated as compliance points and are subject to part B of this condition.
- B. Comply with the following groundwater protection standards at compliance points designated in part A of this license condition:

Antimony = 0.006 mg/L, arsenic = 0.01 mg/l, barium = 1.0 mg/l, beryllium = 0.004 mg/l, cadmium = 0.01 mg/l, chromium = 0.05 mg/l, fluoride = 4.0 mg/L, lead = 0.05 mg/l, mercury 0.002 mg/L, molybdenum = 0.0012 mg/l, nickel = 0.023 mg/l, nitrate = 10 mg/l, combined radium-226 and 228 = 5.0 pCi/l, selenium = 0.01 mg/l, silver = 0.05 mg/L, thallium = 0.005 mg/L, thorium-230 = 1.2 pCi/l, and uranium = 0.03 mg/l.

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- C. Submit, by April 1 of each year, a groundwater compliance monitoring summary report, including a table of results, groundwater contour maps, and groundwater isoconcentration maps for arsenic, fluoride, nitrate, and uranium.

[Applicable Amendment: 29, 31]

50. The licensee is authorized to implement the Raffinate Sludge Dewatering Project, as described in its submittals dated January 7, 2004, and March 8, 2004, with the following conditions:
- A. The licensee must establish procedures to ensure that no bag is filled to more than 2200 lbs;
  - B. The licensee must not stack filled bags of dewatered raffinate sludge more than six high; and
  - C. The licensee must establish an inspection procedure to ensure that the temporary cell covers are periodically inspected and repaired, if necessary, and that liquid is not ponding inside the cells.

[Applicable Amendment: 30]

FOR THE NUCLEAR REGULATORY COMMISSION

Dated: 08/22/05

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/RA/

Gary S. Janosko, Chief  
Fuel Cycle Facilities Branch  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards