September 19, 2005

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

SUBJECT: SEQUOYAH FUELS CORPORATION - MATERIALS LICENSE NO. SUB-1010 - DRAFT SAFETY EVALUATION REPORT - RECLAMATION PLAN (TAC L52511)

Dear Mr. Ellis:

By letter dated January 28, 2003, you submitted a proposed reclamation plan for the Sequoyah Fuels Corporation's (SFC's) Gore, Oklahoma, site. The reclamation plan has been updated by your submittals dated August 8, 2003, August 29, 2003, February 17, 2004, and April 12, 2005. The U.S. Nuclear Regulatory Commission (NRC) staff has completed a detailed technical review of the reclamation plan. We have prepared the enclosed Draft Safety Evaluation Report (DSER), describing our review, and summarizing our findings and conclusions. We have identified 42 open issues (see Table 1-1 of the DSER) that must be resolved before we can approve SFC's reclamation plan. Additionally, we have identified 9 confirmatory items (Table 1-2 of the DSER) that must also be addressed by SFC.

We are prepared to discuss our findings and conclusions with SFC, either by phone or in a meeting, at our mutual convenience. If you would like to set up a conference call or meeting, or if you have any questions concerning this letter please contact me at (301) 415-6629 or by e-mail at mhf1@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html.

Sincerely,

/RA/

Myron H. Fliegel, Project Manager
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No. 40-8027
License No. SUB-1010

Enclosure: Draft Safety Evaluation Report

cc: William Andrews, USGS
Michael Broderick, OK DEQ
Kelly Burch, Esq., OK AG
Will Focht, OSU
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Rita Ware, EPA
Kim Winton, USGS
Merritt Youngdeer, BIA

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