



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

September 21, 2005

Mr. Dan E. Burnham, Project Manager
Exxon-Mobil Refining and Supply Company
3225 Gallows Road
Fairfax, Virginia 22037

SUBJECT: NRC INSPECTION REPORT 040-08102/05-001

Dear Mr. Burnham:

On August 24, 2005, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection of your former Exxon Highland Uranium Mill site located in Converse County, Wyoming. The enclosed report presents the results of that inspection.

This inspection included a review of site status, management organization and controls, site operations, construction, and the environmental monitoring program. Although activities at the Highland site were limited during this inspection interval, activities appeared to have received an appropriate level of management oversight. The inspection findings were presented to members of your staff at the conclusion of the onsite inspection. The enclosed report presents the results of that inspection.

Based on the results of this inspection, no violations or deviations were identified; therefore, no response to this letter is required.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response (if any) will be made 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> (the Public Electronic Reading Room).

Should you have any questions concerning this inspection, please contact Ms. Judith Walker at (817) 860-8299 or the undersigned at (817) 860-8197.

Sincerely,

/RA/

Jack E. Whitten, Chief
Nuclear Materials Licensing Branch

Docket No.: 40-08102
License No.: SUA-1139

Exxon-Mobil Refining and
Supply Company

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Enclosure:
NRC Inspection Report
040-08102/05-001

cc w/enclosure:
Mr. Scott Blakeley
Prime Site Contractor
Exxon Coal and Minerals Company
c/o Pronghorn Pump Service
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Mr. Robert H. Meyer, Radiation Safety Officer
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bcc w/enclosure (via ADAMS distrib.):

LXWert

RANelson

RMWeller

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JLWalker

KEGardin

NMLB

RIV Nuclear Materials File - 5th Floor

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ENCLOSURE

U. S. NUCLEAR REGULATORY COMMISSION

Docket No.: 040-08102

License No.: SUA-1139

Report No.: 040-08102/05-001

Licensee: Exxon-Mobil Refining and Supply Company

Facility: Exxon Highland Uranium Mill Site

Location: Converse County, Wyoming

Date: August 25, 2005

Inspector: Judith Walker, Health Physicist
Nuclear Materials Licensing Branch
Division of Nuclear Materials Safety

Accompanied by: Jim Park, Environmental Reviewer
Fuel Cycle Safety and Safeguards
Fuel Cycle Facilities Branch
Uranium Processing Section

Approved By: Jack E. Whitten, Chief
Nuclear Materials Licensing Branch
Division of Nuclear Materials Safety

Attachments: Supplemental Inspection Information

EXECUTIVE SUMMARY

Former Exxon Highland Mill Site
NRC Inspection Report 040-08102/05-001

This inspection included a review of site status, management organization and controls, operations, construction, and environmental monitoring.

Management Organization and Controls

- The licensee's organization and management controls met the requirements of the license (Section 2).

Site Operations

- Site activities conducted by the licensee since the last inspection were limited to inspections of erosion protection, groundwater monitoring, surveys of settlement monitoring points, installation of new monitoring wells, routine fence maintenance and weed control. The inspector noted that the licensee appeared to have conducted these activities in accordance with the license and regulatory requirements (Section 3).
- The licensee's site security was adequate for the limited amount of work in progress at the site. During the site tour, the inspector observed that site fences were in good condition, and perimeter postings were appropriate (Section 3).

Onsite Construction

- The inspector toured the tailings impoundment diversion channels for sediment material and erosion protection materials. No indication of excess sediment damage, tailings settlement, or erosion was observed by the inspector during the site tour. (Section 3).

Environmental Monitoring

- The licensee's groundwater monitoring program had been implemented in accordance with license requirements (Section 3).

Report Details

1 Decommissioning Inspection Procedure for Uranium Mill Sites (87654) and Site Status

The inspector determined that since the last inspection the licensee's contractor had conducted all licensed activities at Exxon's former Highland Uranium Mill site. Exxon had no personnel stationed at the site. Exxon's site project manager had visited the site on an as-needed basis. Routine activities conducted by the contractor at the site included groundwater monitoring, tailings settlement monitoring, well maintenance, weed control, sediment monitoring, and tailings impoundment erosion protection.

2 Management Organization and Controls (88005)

2.1 Inspection Scope

The inspector reviewed the licensee's organization structure and management controls to determine: (1) whether the licensee had established and fulfilled functional responsibilities and personnel qualifications in accordance with the license conditions, and (2) whether Exxon had maintained controls in place to ensure review and compliance with license requirements.

2.2 Observations and Findings

The inspector noted that the licensee notified NRC of changes in the organizational structure in 2005. The licensee continued to use only contractors to perform routine activities at the site. The inspector determined that the environmental and radiation protection programs implemented by the contractor were adequate to maintain the site.

License Condition 38 requires, in part, that the licensee establish standard operating procedures (SOPs) for groundwater monitoring and instrument calibrations. The inspector reviewed the SOPs developed for the current site activities and found them to be of sufficient detail, given the limited scope of work currently in progress at the site. License Condition 38 also requires, in part, that an annual review of all existing operating procedures be performed by the licensee. The licensee's annual review was last conducted by the radiation safety officer in August 2005.

2.3 Conclusion

The licensee's organization and management controls in place since the last inspection met the requirements of the license.

**3 On-Site Construction (88001)
Operations Review (88020)
Environmental Monitoring (88045)**

3.1 Inspection Scope

The inspector performed a site tour to verify that the licensee had conducted site construction and reclamation activities in accordance with the license requirements. Activities that had occurred at the site since the previous inspection included inspections of erosion protection, groundwater monitoring, surveys of settlement monitoring points, installation of new monitoring wells, routine fence maintenance, and weed control.

3.2 Observations and Findings

License Conditions 22 requires, in part, that results of groundwater monitoring be reported to the NRC in accordance with 10 CFR 40.65. The inspector reviewed licensee reports dated October 5, 2004, and April 29, 2005. These environmental monitoring reports described the scope of analyses conducted at each monitor wells. The licensee continued to monitor the concentrations of nickel, radium-226, radium-228, thorium-230 and uranium in groundwater as specified in the License Condition 33.

In calendar year (CY) 2004, the licensee had one point of compliance well (No. 175) to exceed the maximum concentration limit (MCL) of 0.43 picocuries per liter (pCi/L) as listed in License Condition 22. For the first and second half of CY 2004, Well No. 175 reported 1.35 and 2.64 pCi/L, respectively. The licensee is currently considering alternate concentration limits to address compliance wells exceeding the MCLs. Based on a review of these reports, the inspector determined that the licensee had complied with the requirements of the license and concluded that the licensee had not released radioactive effluents from the site in excess of 10 CFR Part 20 limits.

A site tour was performed by the inspector to verify that the licensee had conducted environmental activities since the last inspection in accordance with applicable requirements. Groundwater monitoring wells and the seepage mitigation system appeared to be operating normally. Records reviewed by the inspector indicated that the site groundwater monitor wells, seepage mitigation, and tailings basin had been inspected routinely. The inspector determined that the licensee had adequately implemented the groundwater monitoring program in accordance with applicable requirements.

3.3 Conclusion

Site activities that had occurred since the last inspection were limited to reclamation maintenance. The licensee appeared to have conducted these activities in accordance with applicable license and regulatory requirements. Site fences were in good condition, and perimeter postings were appropriate.

The inspector determined that since the last inspection the licensee's had implemented its groundwater monitoring program in accordance with license requirements

4 Exit Meeting Summary

The inspector presented the inspection results to the representatives of the licensee at the conclusion of the inspection on August 24, 2005. Licensee representatives acknowledged the findings as presented. The participants did not identify any information provided to, or reviewed by, the inspector as proprietary .

ATTACHMENT

PARTIAL LIST OF PERSONS CONTACTED

Licensee

Mark E. Hoffman, P.E., Project Manager

Other

Scott Blakeley, Owner, Pronghorn Pump and Repair

Clint Stracham, MFG Inc.

Robert Meyer, MFG Inc.

INSPECTION PROCEDURES USED

IP 87654	Decommissioning Procedure for Uranium Mill Sites
IP 88001	Onsite Construction
IP 88005	Management Organization and Controls
IP 88045	Environmental Monitoring

ITEMS OPENED, CLOSED AND DISCUSSED

Opened

None

Closed

None

Discussed

None

LIST OF ACRONYMS USED

PDR	Public Document Room
SOP	Standard Operating Procedure
MCL	Maximum Concentration Limit
CY	Calender Year