

August 1, 2006

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

SUBJECT: REQUEST FOR ENVIRONMENTAL REPORT IN SUPPORT OF PROPOSED
RECLAMATION OF SEQUOYAH FUELS CORPORATION'S FACILITY IN
GORE, OKLAHOMA (TAC L52042)

Dear Mr. Ellis:

By letter dated January 28, 2003, Sequoyah Fuels Corporation (SFC) submitted a reclamation plan for its facility in Gore, Oklahoma. Subsequently, SFC has updated the reclamation plan by submittals dated August 8, 2003; August 29, 2003; February 17, 2004; April 12, 2005; and January 31, 2006. The U.S. Nuclear Regulatory Commission (NRC) staff previously has noticed in the *Federal Register* that it will prepare an Environmental Impact Statement to document its review of the potential environmental impacts from the proposed reclamation activities.

In accordance with 10 CFR Part 51.60, the NRC staff requests that SFC submit an environmental report (ER) in support of its proposed reclamation activities. The content of the ER is addressed in 10 CFR 51.45, a copy of which is enclosed. As discussed in 10 CFR 51.60, if an applicant for a license amendment has previously submitted an ER, it is possible for the applicant to supplement that report through incorporation by reference, updating or supplementing previous analyses to reflect any significant environmental change.

The NRC staff recognizes that in association with SFC's plans to reclaim and decommission its Gore, Oklahoma facility, SFC has provided numerous documents to the NRC, some of which may be suitable, in part or in whole, for incorporation by reference in the ER. If SFC determines that incorporation by reference is appropriate for portions of the ER, the NRC staff requests that, in the ER, SFC direct the staff to the appropriate section (*e.g.*, chapter, page) of the referenced document(s) wherein SFC believes the relevant ER-related discussion is found.

The NRC staff requests that SFC provide the ER within 60 days of the date of this letter.

J. Ellis

- 2 -

If you have any questions about this letter, I can be contacted by phone at (301) 415-5835 or by email at jrp@nrc.gov.

Sincerely,

/RA/

James R. Park, Project Manager
Environmental Review Section
Environmental and Performance
Assessment Directorate
Division of Waste Management
and Environmental Protection
Office of Nuclear Material Safety
and Safeguards

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

Enclosure: 10 CFR 51.45

cc:

William Andrews, USGS
Patricia Ballard, NRMNC
Michael Broderick, OK DEQ
Kelly Burch, Esq., OK AG
Will Focht, OSU
Alvin Gutterman, Esq., Morgan Lewis & Bockius
Pat Gwin, Cherokee Nation
Jeannine Hale, Esq., Cherokee Nation
Craig Harlin, SFC
Jim Harris, USACE
Troy Poteete, Cherokee Nation
Charles Scott, USFWS
Saba Tahmassebi, OK DEQ
Rita Ware, EPA
Kim Winton, USGS
Merritt Youngdeer, BIA

If you have any questions about this letter, I can be contacted by phone at (301) 415-5835 or by email at jrp@nrc.gov.

Sincerely,

/RA/

James R. Park, Project Manager
Environmental Review Section
Environmental and Performance
Assessment Directorate
Division of Waste Management
and Environmental Protection
Office of Nuclear Material Safety
and Safeguards

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

Enclosure: 10 CFR 51.45

cc:

- William Andrews, USGS
- Patricia Ballard, NRMNC
- Michael Broderick, OK DEQ
- Kelly Burch, Esq., OK AG
- Will Focht, OSU
- Alvin Gutterman, Esq., Morgan Lewis & Bockius
- Pat Gwin, Cherokee Nation
- Jeannine Hale, Esq., Cherokee Nation
- Craig Harlin, SFC
- Jim Harris, USACE
- Troy Poteete, Cherokee Nation
- Charles Scott, USFWS
- Saba Tahmasebi, OK DEQ
- Rita Ware, EPA
- Kim Winton, USGS
- Merritt Youngdeer, BIA

DISTRIBUTION:

EPAD r/f MFliegel, FCSS

ML061440441

OFC:	DWMEP	DWMEP:ASC	DWMEP:DD
NAME:	JPark	MGartman	SFlanders
DATE:	06/28/06	07/07/06	07/18/06

OFFICIAL RECORD COPY

Environmental Reports – General Requirements

§ 51.45 Environmental report.

(a) *General.* As required by § 51.50, 51.53, 51.54, 51.60, 51.61, 51.62 or § 51.68, as appropriate, each applicant or petitioner for rulemaking shall submit with its application or petition for rulemaking one signed original of a separate document entitled "Applicant's" or "Petitioner's Environmental Report," as appropriate. An applicant or petitioner for rulemaking may submit a supplement to an environmental report at any time.

(b) *Environmental considerations.* The environmental report shall contain a description of the proposed action, a statement of its purposes, a description of the environment affected, and discuss the following considerations:

(1) The impact of the proposed action on the environment. Impacts shall be discussed in proportion to their significance;

(2) Any adverse environmental effects which cannot be avoided should the proposal be implemented;

(3) Alternatives to the proposed action. The discussion of alternatives shall be sufficiently complete to aid the Commission in developing and exploring, pursuant to section 102(2)(E) of NEPA, "appropriate alternatives to recommended courses of action in any proposal which involves unresolved conflicts concerning alternative uses of available resources." To the extent practicable, the environmental impacts of the proposal and the alternatives should be presented in comparative form;

(4) The relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity; and

(5) Any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

(c) *Analysis.* The environmental report shall include an analysis that considers and balances the environmental effects of the proposed action, the environmental impacts of alternatives to the proposed action, and alternatives available for reducing or avoiding adverse environmental effects. Except for environmental reports prepared at the license renewal stage pursuant to § 51.53(c), the analysis in the environmental report should also include consideration of the economic, technical, and other benefits and costs of the proposed action and of alternatives. Environmental reports prepared at the license renewal stage pursuant to § 51.53(c) need not discuss the economic or technical benefits and costs of either the proposed action or alternatives except insofar as such benefits and costs are either essential for a determination regarding the inclusion of an alternative in the range of alternatives considered or relevant to mitigation. In addition, environmental reports prepared pursuant to § 51.53(c) need not discuss other issues not related to the environmental effects of the proposed action and alternatives. The analyses for environmental reports shall, to the fullest extent practicable, quantify the various factors considered. To the extent that there are important qualitative considerations or factors that cannot be quantified, those considerations or factors shall be discussed in qualitative terms. The environmental report should contain sufficient data to aid the Commission in its development of an independent analysis.

Enclosure

(d) *Status of compliance.* The environmental report shall list all Federal permits, licenses, approvals and other entitlements which must be obtained in connection with the proposed action and shall describe the status of compliance with these requirements. The environmental report shall also include a discussion of the status of compliance with applicable environmental quality standards and requirements including, but not limited to, applicable zoning and land-use regulations, and thermal and other water pollution limitations or requirements which have been imposed by Federal, State, regional, and local agencies having responsibility for environmental protection. The discussion of alternatives in the report shall include a discussion of whether the alternatives will comply with such applicable environmental quality standards and requirements.

(e) *Adverse information.* The information submitted pursuant to paragraphs (b) through (d) of this section should not be confined to information supporting the proposed action but should also include adverse information.

[49 FR 9381, Mar. 12, 1984, as amended at 61 FR 28486, June 5, 1996; 61 FR 66542, Dec. 18, 1996; 68 FR 58810, Oct. 10, 2003]