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MEMORANDUM FOR: Lee G. Murphy, Jr.
Administrative Contracts Branch
Division of Contracts, ADM

FROM: Stephen Wyngarden
Uranium Process Licensing Section
Uranium Fuel Licensing Branch
Division of Fuel Cycle and
Material Safety, NMSS

SUBJECT: TIME CONSTRAINTS IN LETTING THE CONTRACT TO
DON WARNER (FIN: B7387-3 B & R: 50-19-01-01)

Enclosed is a letter to the NRC recently submitted by Kerr-McGee (KM). On Page 3 of this letter, a short paragraph describes KM's need to have a timely review of their amendment request to permit use of a deep injection well.

For your information, KM's Pond 4 referred to in the paragraph, is intended to be a holding pond where liquid wastes can be stored in the event of an emergency, such as a breakdown in routine treatment practices or a large leak in other liquid waste ponds. However, because other ponds have been filled and because only a small portion of the liquid waste being produced (5 million gallons a year) can be applied as a fertilizer, Pond 4 is currently being used to store KM's liquid effluent. As Pond 4 continues to fill, KM's capacity to respond to an emergency situation is decreased. Such a situation could therefore result in the release of untreated waste to local ground and surface water causing unacceptable environmental damage and threats to public health. Consequently, the NRC must act quickly to either permit use of the injection well or authorize the construction of an additional liquid waste storage pond.

As you know, Dr. Warner cannot begin review of the injection well until his contract is let. Once he has the contract, our staff is confident that he can perform the evaluation in the timely manner that is required. This is a major justification for the sole source contract.

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I understand that you are working on this contract as rapidly as possible. This information is intended to clarify our urgency in letting Dr. Warner's contract. I also hope this information helps avoid unnecessary delays during the remainder of the contracting process.

Stephen Wyngarden
Uranium Process Licensing Section
Uranium Fuel Licensing Branch
Division of Fuel Cycle and
Material Safety, NMSS

Enclosure: Ltr from KM dtd Dec. 21, 1982

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MEMORANDUM FOR: John Rebello
Chief of Small Purchases

FROM: Stephen Wyingarden
Uranium Process Licensing Section
Uranium Fuel Licensing Branch

SUBJECT: CONTRACT FOR DON WARNER (FIN: B7387-3.
B/R: 50-19-01-01). KERR-MCGEE INJECTION
WELL NEAR GORE, OKLAHOMA

Enclosed are the following items of additional information you requested for this contract:

- Item 1: Additional information regarding the Sole Source Justification for Dr. Don L. Warner.
- Item 2: Cost breakdown
- Item 3: Past audits of Dr. Warner.

If any additional information is needed, please call me at 74510. Because I plan to visit Dr. Warner on November 29, at least partial completion of the contract process by that time would be greatly appreciated.

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Stephen Wyingarden
Uranium Process Licensing Section
Uranium Fuel Licensing Branch
Division of Fuel Cycle and
Material Safety, NMSS

Enclosure: As stated

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Item 1: Additional Information Regarding the
Sole Source Justification for Dr. Don L. Warner.

On July 29, 1982, the Kerr-McGee (K-M) Sequoyah Facility requested an amendment to their Source Material License No. SUB-1010 to permit the disposal of treated raffinate via deep well injection. Prior to making a decision regarding the amendment request, the environmental impacts of the proposed injection need to be evaluated. Dr. Don L. Warner, Dean of the School of Mines and professor of Geological Engineering at the University of Missouri, should be the only Geohydrologist considered for this job.

K-M originally requested to use the same deep well in 1970. The AEC staff denied the request but permitted K-M to reapply. Although several new K-M applications followed in the next 3 years, authorization to use the well was repeatedly denied by the AEC. Throughout this dispute, Dr. Warner served as a personal consultant to the AEC providing technical support to the staff's environmental assessment. The current request to amend SUB-1010 is almost identical to the ones reviewed in the early 1970's. Therefore, Dr. Warner's previous years of investigating the environmental impacts of the proposed injection give him an intimate knowledge of the relevant environmental concerns associated with the current amendment request. Furthermore, the disposal zone proposed to receive injection fluid is a complex formation containing several porous layers and surrounding faults. Because the hydrological and geological impacts of the proposed injection are potentially severe, a definite understanding of the Sequoyah site is needed. Competitive consultants would lack Dr. Warner's specific background and would necessarily require significant training to make a knowledgeable recommendation.

In 1973, K-M requested a hearing before the Atomic Safety and Licensing Board (ASLB) to resolve the request to amend SUB-1010; however in 1974, the ASLB also denied authorization to use the well. This Board decision makes the NRC's current review of the amendment request legally sensitive. Although positive staff action is not completely barred in this case by the ASLB's initial decision, care must be taken to address and resolve the Board's objections. Dr. Warner testified throughout the hearing and was an integral part in the ASLB's decision. As a consequence, Dr. Warner has an understanding of the questions and concerns raised in 1974 and the experience to legally justify the staff's decision. Competition would enter the case without this ability to help keep the staff's decision within legal context.

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Dr. Warner has an established working relationship with the Uranium Fuel Licensing Branch. He has served as a personal consultant to the staff on several past contracts and is currently contracted by the staff to investigate the groundwater contamination associated with the United Nuclear Corporation in Wood River Junction, Rhode Island (FIN: B-6993-0, B&R: 50-19-01-01). Dr. Warner is also frequently contracted by the EPA and the Corps of Engineers. During this past and current work, Dr. Warner has provided excellent services and has won the confidence of the staff. This established relationship greatly facilitates the effective completion of the K-M amendment review. Another consultant would be new to the staff and its work processes and would lack the confidence achieved by Dr. Warner.

The K-M Sequoyah Facility is currently producing 5 million gallons of liquid waste per year. In the past, this waste was either stored on-site in lagoons or applied as a fertilizer to the facility's grounds. However, existing lagoon capacity has almost been met and recent limitations have precluded the fertilizer application as a disposal means. Because of this urgent need to find an acceptable disposal mechanism, use of the deep well has been given a high priority by the NRC and K-M requiring a timely decision. Based on his past experience, Dr. Warner is the only Geohydrologist capable of conducting a knowledgeable evaluation in a timely manner.

For the reasons outlined above, the use of a competitive consultant would not be cost effective, would not easily satisfy legal concerns regarding the staff's decision, and would not yield a knowledgeable recommendation in the timely manner that is required.

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Item 2: Cost Breakdown

Dr. Warner is now paid \$600 per day. The total cost of the project, less than \$5000, was derived by Dr. Warner and the NRC based on estimated time requirements to perform the necessary duties. Dr. Warner will spend time on the project as needed during the 6 month life of the contract.

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Item 3: Past Audits of Dr. Warner

Through a phone conversation with Dr. Warner on November 17, 1982, we were informed that Dr. Warner has never been audited by any government agency for any reason. Don L. Warner, Inc. consists solely of Dr. Warner and his wife.