



STEVEN A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

BRAD HENRY
Governor

March 23, 2007

Rita K. Ware
RCRA Technical Section
U.S. Environmental Protection Agency
1445 Ross Avenue (6EN-HX)
Dallas, TX 75202-2733

RE: 2006 Annual Groundwater Report
Sequoyah Fuels Corporation
Gore, Oklahoma

Dear Ms. Ware:

The Oklahoma Department of Environmental Quality (Department) completed a review of the 2006 Groundwater Report received on January 31, 2007.

The report was generated in compliance with the requirement imposed by SFC's amended Source Materials License (SUB-1010) issued by the Nuclear Regulatory Commission (NRC). The August 22, 2005 amendment, which was approved by the NRC and the U.S. Environmental Protection Agency, authorized implementation of SFC's Groundwater Monitoring Plan (GWMP) dated February 25, 2005. The groundwater data collected during calendar year 2006 and presented in this report is approved.

In addition to sampling and analyses, the GWMP required the construction of ten new groundwater monitoring wells. These wells were installed between late 2005 and early 2006. The GWMP also requires SFC to monitor corrective action, seep, drainage, and surface water locations.

The primary RCRA-regulated constituent of concern present in the groundwater beneath the facility is arsenic. Sampling results indicate total arsenic continues to be detected above the maximum contaminant level (MCL) of 0.01 mg/L in the Terrace/Shale 1, Shale 2, Shale 3, and Shale 4 groundwater systems. Arsenic was not detected in the Shale 5 groundwater system above MCL.

Fluoride continues to be detected above the 4.0 mg/L MCL in the Terrace/Shale 1 and Shale 3 groundwater systems. Fluoride was not detected above MCL in Shale 2, Shale 4 or Shale 5 groundwater systems.

Nitrate continues to be detected at concentrations above its MCL of 10mg/L in the Terrace/Shale 1, Shale 2, Shale 3, and Shale 4 groundwater systems. Nitrate impacts to groundwater are mostly found in the Pond 2 area and in the SX Building area.

Uranium continues to be detected above its MCL of 30µg/L in the Terrace/Shale 1, Shale 2, and Shale 3 groundwater systems.



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Corrective action monitoring includes the collection of samples from groundwater recovery systems and monitoring locations down-gradient from the recovery locations. These include the 005 Drainage Collection Trench, which recovers arsenic, nitrate, and uranium impacted groundwater that flows through the Shale 3 unit; a monitor trench sampled to examine the effectiveness of the 005 Drainage Collection Trench; the MW095A Collection Trench, which recovers arsenic and nitrate impacted groundwater present in the Shale 4 unit; and the MW010 Collection Trench, which recovers uranium-impacted groundwater from the Terrace/Shale 1 unit. Arsenic, nitrate, and uranium were detected above their respective MCLs at the 005 Drainage Collection Trench. Arsenic and nitrate were detected above their respective MCLs at the MW-095A area, and uranium was detected above its MCL at the MW010 Collection Trench.

Also included in the corrective action monitoring schedule are seep and drainage samples collected from locations along the western perimeter of the facility, and surface water samples. Uranium, nitrate, and arsenic exceeded their respective MCLs at various locations. Although analysis of the groundwater seep at Location 2245 indicated nitrate above MCL, the concentration has continued to decrease significantly over the past few years. This decrease is attributed to the groundwater recovery accomplished by the MW095A Collection Trench.

In general, concentrations detected during 2006 continue to follow a trend of unanticipated spikes or drops in concentrations similar to those encountered to varying degrees in the past. These fluctuations could be a result of seasonal availability of groundwater at the time of sampling.

The Department has no objections if EPA approves the report.

If you have questions regarding this matter, please contact Mr. Robert Replogle at 405.702.5118 or robert.replogle@deq.state.ok.us.

Sincerely,



Saba Tahmassebi, Ph.D., P.E.
Chief Engineer
Land Protection Division

xc: Mr. Myron Fliegel, NRC, Rockville, MD
Mr. Trevor Hammons, OAG