



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

May 31, 2007

Dan E. Burnham, Project Manager
ExxonMobil Refining and Supply Co.
3225 Gallows Road
Fairfax, Virginia 22037

SUBJECT: NRC INSPECTION REPORT 040-08102/07-001

Dear Mr. Burnham:

This refers to the inspection conducted on May 1, 2007, at the Highland Reclamation Project in Converse County, Wyoming. The inspection was an examination of activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel. Details of the inspection were presented to your representatives at the exit briefing conducted on May 1, 2007. No violations were identified, and 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 you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at www.nrc.gov/reading-rm/adams.html. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Should you have any questions concerning this inspection, please contact the undersigned at (817) 860-8191 or Mr. Robert J. Evans, Senior Health Physicist, at (817) 860-8234.

Sincerely,

/RA/

D. Blair Spitzberg, Ph.D., Chief
Fuel Cycle and Decommissioning Branch

Docket No.: 040-08102
License No.: SUA-1139

Enclosure:
NRC Inspection Report
040-08102/07-001

ExxonMobil Refining and Supply Co.

-2-

cc w/enclosure:

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RIV Nuclear Materials File - 5th Floor

SUNSI Review Completed: RJE ADAMS: Yes No Initials: RJE
 Publicly Available Non-Publicly Available Sensitive Non-Sensitive

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U.S. NUCLEAR REGULATORY COMMISSION
REGION IV

Docket No.: 040-08102

License No.: SUA-1139

Report No.: 040-08102/07-001

Licensee: ExxonMobil Refining and Supply Co.

Facility: Highland Reclamation Project

Location: Converse County, Wyoming

Date: May 1, 2007

Inspectors: Robert Evans, P.E., C.H.P., Senior Health Physicist
Fuel Cycle & Decommissioning Branch

Linda M. Gersey, Health Physicist
Nuclear Material Inspection Branch

Accompanied by: D. Blair Spitzberg, Ph.D., Chief
Fuel Cycle & Decommissioning Branch

Approved by: D. Blair Spitzberg, Ph.D., Chief
Fuel Cycle & Decommissioning Branch

Attachment: Supplemental Inspection Information

EXECUTIVE SUMMARY

ExxonMobil Highland Reclamation Project
NRC Inspection Report 040-08102/07-001

This inspection included a review of site status, uranium mill site decommissioning, management organization and controls, onsite-construction, and environmental protection. In summary, the licensee was conducting site operations in accordance with regulatory and license requirements.

Uranium Mill Site Decommissioning Inspection/Management Organization and Controls/On-Site Construction

- The licensee was maintaining the site in accordance with license requirements (Section 1).

Environmental Protection

- The licensee's groundwater compliance monitoring program was in conformance with license requirements. No groundwater sample result exceeded the protection standards (Section 2).

Report Details

Site Status

At the time of the inspection, the reclamation of the ExxonMobil Highland site was essentially complete. The licensee continued to implement the groundwater monitoring program and continued to inspect the site on an as-needed basis. Since the last inspection, the licensee installed four new monitoring wells down-gradient of the reclaimed tailings impoundment. There were no structures on site, and fences and gates were in good working order. Within the next 2-3 months, the licensee plans to submit a proposal for long-term care of the site by the U.S. Department of Energy.

1 Uranium Mill Site Decommissioning Inspection/Management Organization and Controls/On-Site Construction (87654/88005/88001)

1.1 Inspection Scope

The purpose of this portion of the inspection was to ensure that the licensee had established a program for implementing the conditions of the license.

1.2 Observations and Findings

A site tour was conducted to observe facility conditions. The tour included the reclaimed tailings pile, the former mill site, and diversion ditches. No structures remained at the site. Fences, gates, and radiological postings were present and in good condition.

Ambient gamma radiation exposure rates were measured using an NRC-issued Ludlum Model 19 microRoentgen meter (NRC No. 015546, calibration due date of 02/12/08). Exposure rates at various locations around the site were consistent with background levels (10-15 $\mu\text{R/hr}$). Elevated ambient gamma exposure rates were not expected because the site has been reclaimed.

License Condition 38 states that standard operating procedures shall be established for groundwater monitoring, instrument calibrations, and release of equipment and materials. Further, the procedures shall be reviewed at least annually. Standard operating procedures were being reviewed annually and were being updated as needed. A job safety analysis was also performed for each task. For example, review of drilling procedures led to a review of glove use. Equipment that came into contact with potentially contaminated items were surveyed prior to release. Examples include equipment used to drill the newest four wells (discussed below), equipment used to take samples from the pit lake, and non-usable material remaining from monitoring well repairs.

License Condition 34 states that the results of sampling, analyses, surveys, equipment calibrations, audit reports, inspections, meetings, training, reviews, investigations, and corrective actions shall be documented. Based on information gained during interviews with site personnel, survey instruments were being calibrated prior to use. An annual audit was performed by outside consultants. Refresher training was provided annually.

Training was 4 hours in length and included a written exam. New employee training was provided as needed.

1.3 Conclusions

The licensee was maintaining the site in accordance with license requirements.

2 Environmental Monitoring/Radioactive Waste Management (88045/88035)

2.1 Inspection Scope

The environmental monitoring program was reviewed to assess the effectiveness of the licensee to monitor the impacts of site activities on the local environment.

2.2 Observations and Findings

License Condition 33 states that the licensee shall implement a compliance monitoring program. Further, License Condition 22 states that the results of the program shall be reported to the NRC on a semi-annual basis in accordance with the requirements of 10 CFR 40.65. The licensee is required to sample 25 wells on a quarterly basis, although the licensee actually sampled 44 wells.

The inspectors reviewed the four semi-annual reports for calendar years 2005-2006. The NRC amended the license during July 2006 to update the groundwater protection standards. The inspectors compared the sample results for 2006 to the updated protection standards. In summary, the licensee collected the required number of samples. None of the protection standards were exceeded in the point-of-compliance wells, although one point-of-compliance well was dry.

During November 2004, the licensee installed three additional wells, in part, because point-of-compliance well 177 was dry. The three wells were installed down-gradient of well 177 and were designated as MFG-1, MFG-2, and MFG-3. However, these three wells also became dry and unproductive. During July 2006, the licensee installed four additional wells down-gradient of the reclaimed tailings impoundment. These four wells were designated as BBL-1, BBL-2, BBL-3, and BBL-4. The licensee installed the new wells, in part, to monitor the groundwater down-gradient of point-of-compliance well 177 for conformance with the groundwater protection standards.

The licensee began sampling the four new wells on a quarterly basis during July 2006. Once the licensee has collected a sufficient number of samples to establish any trends, the licensee plans to submit the sample results to the NRC. This report is anticipated to be submitted to the NRC during late 2007 or early 2008.

2.3 Conclusions

The licensee's groundwater compliance monitoring program was in conformance with license requirements. No groundwater sample result exceeded the protection standards.

3 Exit Meeting Summary

The inspectors presented the preliminary inspection results to the licensee's representatives at the conclusion of the onsite inspection on May 1, 2007. During the inspection, the licensee did not identify any information reviewed by the inspectors as propriety.

ATTACHMENT

PARTIAL LIST OF PERSONS CONTACTED

Licensee

S. Blakeley, Site Safety Officer, Pronghorn Pump and Repair
S. Blakeley, Office Manager, Pronghorn Pump and Repair
R. Lindeman, Senior Engineer, Arcadis
R. Meyer, Radiation Safety Officer, Tetra Tech
D. Roberson, Project Manager, De Maximus

ITEMS OPENED, CLOSED, AND DISCUSSED

Open

None

Closed

None

Discussed

None

INSPECTION PROCEDURES USED

IP 87654	Uranium Mill Site Decommissioning Inspection
IP 88001	On-Site Construction
IP 88005	Management Organization and Control
IP 88045	Environmental Protection

LIST OF ACRONYMS USED

CFR	Code of Federal Regulations
IP	NRC Inspection Procedure
µR/hr	microRoentgens per hour