



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

July 5, 2007

A. Scott McDaniel
McDaniel, Hixon, Longwell & Accord, PLLC
320 Boston Ave., Suite 700
Tulsa, Oklahoma 74103

SUBJECT: RESPONSE TO LETTER REGARDING FMRI FACILITY, MUSKOGEE,
OKLAHOMA

Dear Mr. McDaniel:

This refers to your letter dated June 1, 2007, which questions some of the conclusions of the NRC inspection performed at the FMRI facility in Muskogee, Oklahoma, on February 13, 2007 (NRC Inspection Report 040-07580/07-001). We understand that your law firm represents A&M Engineering & Environmental Services, Inc. (A&M), a former FMRI contractor involved in remediation work on the FMRI site.

Your letter questions the NRC inspection observations and conclusions contained in the report section on Effluent and Environmental Monitoring. Your specific questions relate to the recent removal of contaminants from retention Pond 3 as part of Pond 3 remediation work, the performance of the Pond 3 french drain system, and the impact of site activities on the groundwater. We have reviewed the issues described in your letter and reaffirmed the inspection report's conclusion that FMRI (the licensee) was in compliance with applicable regulatory requirements in these areas.

In accordance with the NRC-approved Decommissioning Plan, Section 8.4.1.1, "the current groundwater remediation strategy consists of a collection trench around the down-gradient perimeter of the site. This trench intercepts and collects groundwater from contaminated areas of the site and routes it to a treatment facility." Accordingly, the licensee does not take credit for the Pond 3 french drain system as part of the groundwater remediation strategy. In fact, groundwater remediation is not included in this first phase of decommissioning as described in the approved Decommissioning Plan. The NRC is aware of the history of Pond 3, and its remediation is a priority in the overall site decommissioning. Currently, fluids from Pond 3, the french drain sump, and the intercept trench sumps are pumped directly to the onsite waste water treatment system for processing in accordance with license requirements. The water is sampled after processing and just prior to release through the licensee's state-permitted outfall.

The first phase of decommissioning is focused on the removal and disposal of bulk contaminants from the ponds in a manner that will permit the subsequent remediation of the site, including any potential sources of groundwater contamination. As part of this work, the licensee is required to implement a groundwater monitoring program in accordance with its National Pollutant Discharge Elimination System (NPDES) permit. The NRC license includes requirements to notify the NRC if sample results for a monitoring well exceed certain action

levels. The licensee has made such notifications concerning levels of uranium measured in Monitoring Well MW-74S. These reports are publicly available on the NRC's website at <http://www.nrc.gov/>.

The NRC inspection report conclusions were based on the NRC's confirmation that the french drain and intercept trench continued to collect groundwater, the fluid was being pumped to the waste water treatment system for processing, and the fluid was being sampled just prior to release. Accordingly, the inspectors concluded that the licensee was in compliance with regulatory and license requirements with respect to management of groundwater.

The NRC inspection findings were not intended to suggest that the french drain system was capturing all groundwater in the Pond 3 area because the hydrology of the area has changed as a result of removing several thousand tons of material from the pond. The NRC acknowledges that the french drain system may not be capturing all contaminated groundwater, as evidenced by the elevated sample results in MW-74S. However, all data indicate that impacted groundwater from the site is captured by the intercept trench, along the eastern site boundary, and treated before being released through the monitored NPDES outfall.

Final cleanup of the groundwater is planned for a future phase of decommissioning. The NRC will continue conducting routine inspections at FMRI to ensure compliance with regulatory requirements, including implementation of the groundwater corrective action and monitoring programs.

Should you have any questions concerning this letter, please contact D. Blair Spitzberg, Ph.D., Chief, Fuel Cycle and Decommissioning Branch, at (817) 860-8191 or Mr. Robert J. Evans, Senior Health Physicist, at (817) 860-8234.

Sincerely,

/RA/

Leonard D. Wert, Director
Division of Nuclear Materials Safety

Docket No.: 040-07580
License No.: SMB-911

McDaniel, Hixon, Longwell
& Accord, PLLC

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