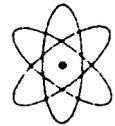


40-8943

FERRET EXPLORATION COMPANY OF NEBRASKA, INC.

P.O. Box 169  
Crawford, Nebraska 69339

Office (308) 665-2215  
FAX (308) 665-2341



RETURN ORIGINAL TO PDR, HQ.

January 18, 1993

Mr. Ramon Hall  
U.S. Nuclear Regulatory Commission  
Uranium Recovery Field Office  
Box 25325  
Denver, Colorado 80225

RE: Docket No. 40-8943  
License No. SUA-1534

Dear Mr. Hall:

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JAN 22 1993  
USNRC  
MAIL SECTION  
DOCKET CLERK

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License Condition 50 of Ferret Exploration Company of Nebraska's (FEN) source material license requires FEN to maintain a log of all significant spills and notify the U.S. Nuclear Regulatory Commission (USNRC) within 48 hours of any failure which may have a radiological impact on the environment. License Condition 50 also requires a written report be submitted within seven days detailing the conditions of any spill which may have a radiological impact on the environment. This letter is meant to serve as such a report.

Monday, January 11, 1993 at approximately 7:00 pm, FEN experienced a leak from an injection trunkline in Mine Unit 3 (MU3). Plant operators experienced a series of low flow alarms and upon immediate initial inspection of the operating wellfields did not detect a leak. Within twenty minutes from the first low flow alarm the injection tank level had dropped significantly and the plant was shut down. Upon further inspection of the wellfields, it was discovered a gasket type pipe joint had failed in a trunkline at the site of future wellfield house 8 (see enclosed map).

The section of trunkline that failed was not meant to be in service and should have been isolated by an in-line valve on the main trunkline. The valve was shut isolating the failed section of trunkline and the plant was restarted within approximately thirty minutes with no further problems. Interviews with all employees involved in trunkline construction and operation indicate no one is aware of how or when the valve may have been opened. The conclusion is the event was a result of inadvertent human error.

Based on an inspection of the area immediately after the spill, computer monitoring records and interviews with the operators on duty, it was determined that approximately 23,000 gallons of injection water spilled onto the ground. The spill water moved down a small unnamed drainage out of the MU3 monitor well ring and onto the floodplain adjacent to Squaw Creek. An undetermined amount of spill water entered the Squaw Creek drainage. Squaw Creek is entirely frozen at this time, water from the spill moved on top of the ice for approximately one-quarter mile after entering the drainage. A sample was taken of the spill water at the intersection of the north boundary of Section 19 and Squaw Creek. This was the approximate northernmost extent of the spill. Preliminary radium 226 analysis of

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certified by *Mary C. Hood*

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Mr. Ramon Hall  
January 18, 1993  
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the injection stream the day of the spill was 1550 pCi/l. The preliminary analysis of the spill at its northern extent was 0.2 pCi/l. The action of the warm injection water melting and co-mingling with existing snow and ice apparently caused significant dilution of the spill water.

Joel Grimm of your office was notified by telephone on Tuesday, January 12. Dave Carlson of the Nebraska Department of Environmental Quality was notified by telephone the same day. Both Mr. Grimm and Mr. Carlson performed a reactive inspection on January 14, 1993.

FEN has implemented a sampling program in an attempt to characterize the potential radiological impact to the environment. This initially consists of obtaining samples of remnant ice left from the spill both on the ground and in the creek drainage. Soil samples will be taken at the point of the leak and from where the spill appeared to pool. It is anticipated that due to the frozen nature of the ground these soil samples may not be entirely representative. More soil samples will be taken when the ground thaws to provide further characterization. Results of all samples will be forwarded to your office when received.

As a result of this spill and the subsequent inspection, FEN is writing a standard operating procedure dealing with the construction, operation, and maintenance of buried trunklines. FEN will also construct a small earthen berm to contain any future spills from MU3 and prevent their entry to Squaw Creek.

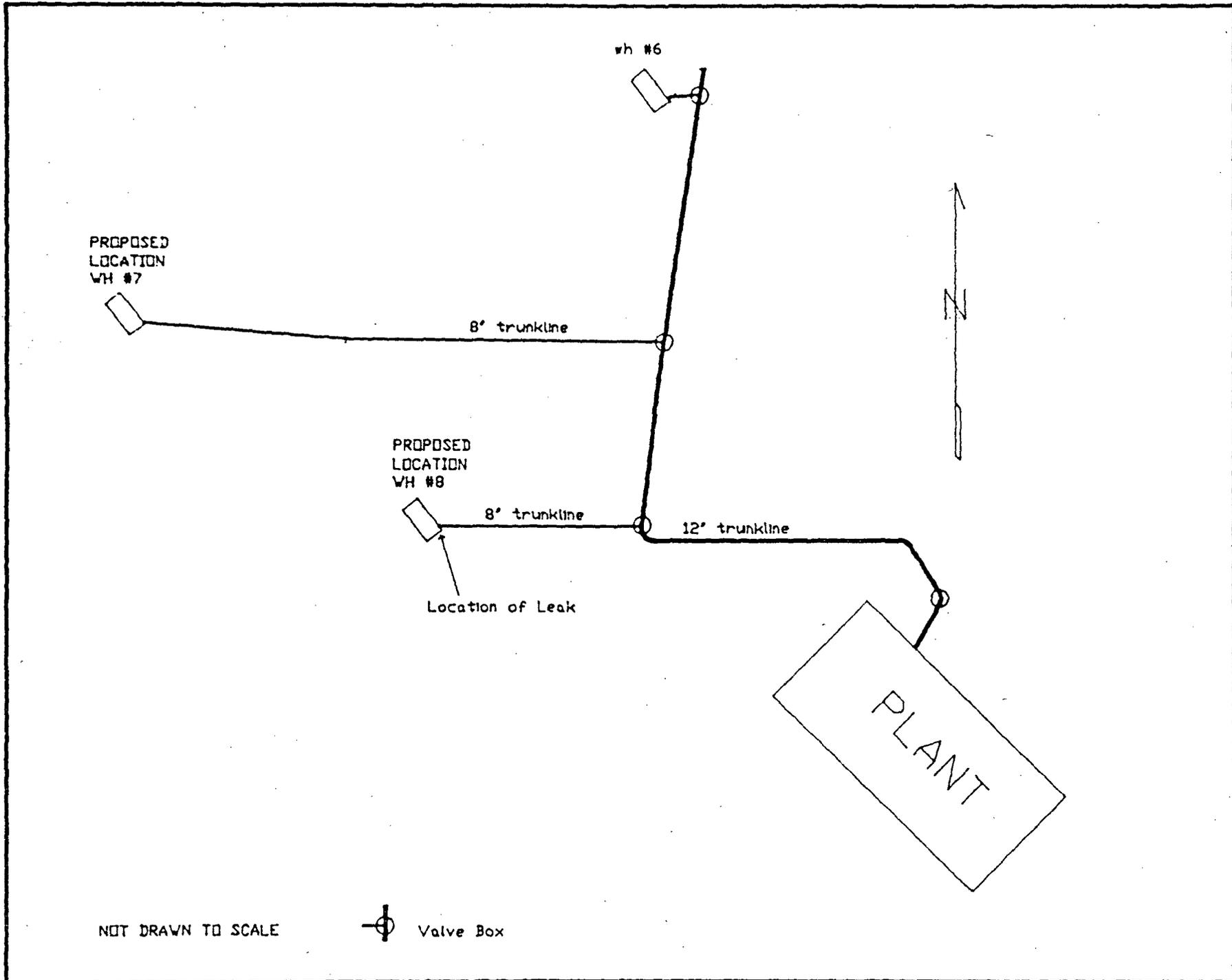
Please do not hesitate to contact me if you have further questions regarding this matter.

Sincerely,



Ralph Knode  
Vice President

enclosure



PROPOSED  
LOCATION  
WH #7

wh #6

8" trunkline

PROPOSED  
LOCATION  
WH #8

8" trunkline

Location of Leak

12" trunkline

PLANT

NOT DRAWN TO SCALE

Valve Box