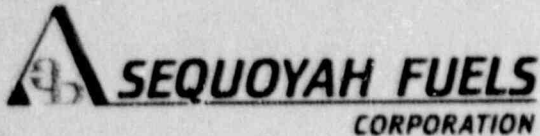


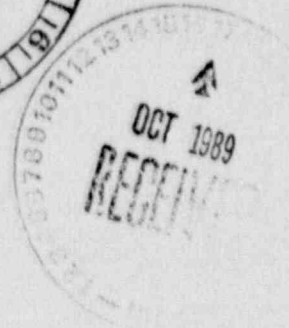
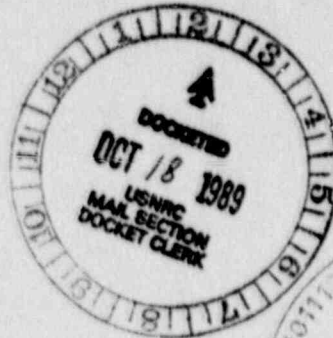
40-8027  
LPDR



RETURN ORIGINAL TO PDR, HQ.

October 12, 1989

**Certified Mail  
Return Receipt Requested**



Mr. Ramon E. Hall, Director  
Uranium Recovery Field Office  
U.S. NUCLEAR REGULATORY COMMISSION  
Region IV  
P. O. Box 25325  
Denver, CO 80225

RE: License SUB-1010; Docket No. 40-8027  
SFC's Response to Notices of Violation,  
NRC Inspection Report 89-03

Dear Mr. Hall:

Pursuant to the provisions of 10 CFR 2.201, attached is Sequoyah Fuels Corporation's response to the Notices of Violation issued by the NRC on September 15, 1989.

Should you have any questions concerning the response, please contact me at 918/489-3231.

Sincerely,

*Scott P. Knight*  
Scott P. Knight  
Vice President  
Administration

8912070157 891012  
PDR ADOCK 04008027  
C PNU

SPK:LRL:nv

Enclosure as stated

cc: R. Adkisson  
R. Graves  
J. Mestepey  
M. Nichols - Post  
NLEC File

*JFOZ*  
11

90-0045

DESIGNATED ORIGINAL

Certified By *Mary C. Hood*

SEQUOYAH FUELS CORPORATION'S RESPONSE  
TO THE NOTICES OF VIOLATION

NRC INSPECTION REPORT 89-03

Alleged Violation:

License Condition No. 9 of Source Material License SUB-1010 references Chapters 1-8 of the license renewal application, as revised. Chapter 2.7.1 of the renewal application states that written procedures shall be established for all operations and safety-related activities involving source or hazardous materials, and that procedures shall be reviewed and revised as necessary at least every 18 months.

Contrary to this requirement, Procedure LAB-001, entitled "Laboratory Quality Control Program" has not been reviewed since September 1986, the procedures for fluorometric analysis of uranium and fluoride analysis are undated and not finalized, and a procedure for plasma spectrometry has not been established.

SFC Response:

SFC respectfully requests that NRC withdraw the alleged violation on the basis that SFC had a different interpretation of the license requirements regarding laboratory procedures. The intent of Chapter 2.7.1, historically and currently, is to assure appropriate review and revision of those procedures involving the operation of the plant's production processes where the quantities of materials and the demands on the corresponding equipment have potential for possible risk to health and safety. The formal review Chapter 2.7.1 requires for Operating Procedures was not intended to be imposed upon procedures specifically for use only in the laboratory. Chapter 2.2 states that analytical and calibration procedures for the laboratory shall be prepared and maintained under the direction of the Manager, Facility Laboratory.

For example, although there are over ninety written procedures used in Sequoyah Facility Laboratory, they were not formally promulgated as Sequoyah Facility Operating Procedures. SFC relied upon the provisions of Chapter 2.2 which allows for preparation and maintenance of laboratory procedures under the direction of the Laboratory Manager.

Nevertheless, SFC agrees with NRC that the review and documentation of the cited laboratory procedures was

inadequate and efforts are underway to review and revise them.

SFC believes that it now understands NRC's interpretation of Chapter 2.7.1 regarding laboratory procedures and commits to the following corrective actions.

Laboratory supervisors have been working on a complete review and rewrite of all analytical procedures presently in use in the SFC Laboratory. The analytical procedures will be in a standardized format which will contain issue and revision dates and signature lines for the preparer and the Laboratory Manager's approval. These analytical procedures will be issued as Departmental Procedures. Completion of this review process is anticipated by March 31, 1990.

Safety-related activities are currently addressed in Operating Procedures applicable to both the plant's production process areas as well as the laboratory. An example of such procedures for safety-related activities is G-160 "Health and Safety Precautions and Requirements" which addresses such items as: eye protection, radiation monitoring requirements, and safety equipment.

Based upon the above described original intent and established precedent of interpretation of Chapters 2.7.1 and 2.2, Sequoyah Fuels Corporation hereby respectfully requests that this alleged violation be withdrawn.

**Alleged Violation:**

License Condition No. 9 of Source Material License SUB-1010 references Chapters 1-8 of the license renewal application, as revised. Chapter 3.3.4.6 stated that surface contamination surveys shall be conducted on a weekly basis, and all areas which exceed the specified action levels shall be cleaned within 72 hours of notification of the survey results.

Contrary to this requirement, no documentation is available to indicate cleanup of contaminated areas reported for the weeks ending June 15, June 2, and May 25, 1989 indicating cleanup within 72 hours.

**SFC Response:**

SFC admits the violation.

**1) Reason for the Violation:**

Although contamination surveys were being completed, in some cases, the areas were not cleaned up within 72 hours and documented. Failure to follow up to ensure proper documentation was filed contributed to the problem.

**2) Corrective Steps Which Have Been Taken and Results Achieved:**

Prior to the inspection, SFC had already identified the problem and initiated corrective action by discussing the deficiency with the Operations Department and emphasizing license and procedure requirements.

**3) Corrective Steps Which Will Be Taken to Avoid Further Violations:**

This requirement is being given a higher priority. Initial surveys showing the areas requiring decontamination are being sent in a timely manner to appropriate managers, indicating that cleanup is required within 72 hours. After the cleanup, the area is resurveyed and the dates are documented on the survey form.

A tracking system is being implemented and a procedure revision has been submitted to provide more positive control and accountability of required cleanup and appropriate documentation.

**4) The Date When Full Compliance Will Be Achieved:**

All corrective actions should be fully implemented by November 1, 1989.