



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

MAY 04 1981

MEMORANDUM FOR: W. Crow, Section Leader, Uranium Processing Section
Uranium Fuel Licensing Branch, FCMS, NMSS

FROM: W. D. Altman, Chief, Material Control & Accounting Section
Safeguards Branch, Division of SRSI:IE

SUBJECT: KERR-MCGEE, DOCKET NO. 70-⁹²⁵~~1193~~, CITATIONS

The Kerr-McGee uranium fabrication facility, Docket No. 70-⁹²⁵~~1193~~, has had a continuing problem of finding small quantities of high enriched uranium during decommissioning activities. This has occurred at least four times, the latest discovery was made during April 1981. The present Kerr-McGee license limits their authorized possession to low enriched uranium. Hence the licensee has been cited in the past whenever high enriched uranium was discovered during cleanout of process equipment. In this case, the problem was addressed by blending the HEU with uranium of a lower enrichment. I understand from Mr. Finley in Region III that the licensee was given verbal, not written, permission by FCMS to address the problem in this manner. It would be helpful to our field inspectors to have something in writing from FCMS that they could refer to as the legal justification for not citing a licensee for possession of unauthorized materials in such a situation. Jim Blaylock of my staff discussed this matter with Mr. Nixon of your staff on April 24.

We suggest that Kerr-McGee be given some latitude in their decommissioning activities, perhaps a license condition to allow for the discovery of small quantities of HEU in the future.

W. D. Altman

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Chief
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Division of SRSI:IE

CONTACT: J. Blaylock
49-24762

cc: Al Finley, RIII



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FCUP:WTC
70-925
SNM-928, Amendment No. 5

Kerr-McGee Corporation
ATTN: W. J. Shelley, Vice President
Nuclear Licensing and Regulation
Kerr-McGee Center
Oklahoma City, Oklahoma 73125

Gentlemen:

In accordance with your application dated April 20, 1981, and pursuant to Title 10, Code of Federal Regulations, Part 70, Materials License No. SNM-928 is hereby amended to change Conditions 6, 7 and 8 and to add Condition No. 17 to read as follows:

Condition No. 6. By-Product, Source or Special Nuclear Material

- a. Uranium enriched in the U-235 isotope not to exceed 5 weight percent (w/o).
- b. Uranium enriched to any U-235 isotopic content.

Condition No. 7. Form

- a. Any
- b. In the form of contaminated equipment.

Condition No. 8. Maximum amount the licensee may possess at any one time under this license.

- a. Up to 2 kilograms U-235
- b. Interim possession subject to Condition No. 17, provided the maximum limit authorized by Condition 8.a. is not violated.

Condition No. 17. If during the decontamination of the facilities and equipment at the Cimarron Plant, uranium solutions or compounds are generated that have U-235 isotopic content greater than 5 w/o, prompt action shall be taken to degrade these materials to below 5 w/o U-235.

All other conditions of this license shall remain the same.

FOR THE NUCLEAR REGULATORY COMMISSION

R. G. Page
R. G. Page, Chief
Uranium Fuel Licensing Branch
Division of Fuel Cycle and
Material Safety