

DEC 29 1989

DOCKET NO: 40-8027  
LICENSEE: New Sequoyah Fuels Corporation (NSFC)  
FACILITY: Sequoyah Facility  
Gore, Oklahoma  
SUBJECT: SAFETY EVALUATION REPORT, AMENDMENT APPLICATION DATED  
DECEMBER 21, 1989, RE CORPORATE REORGANIZATION AND  
NAME CHANGE

Background

By amendment application dated December 21, 1989, Sequoyah Fuels Corporation (SFC) requested the following as part of a corporate reorganization: a change in the licensee's name to New Sequoyah Fuels Corporation, the incorporation of a new corporate entity, and the transfer of assets.

Discussion

Currently, SFC is a wholly-owned subsidiary of Sequoyah Holding Corporation (SHC). The licensee proposes to change its name from Sequoyah Fuels Corporation to New Sequoyah Fuels Corporation and to establish NSFC as a wholly-owned subsidiary of SFC, which will remain a wholly-owned subsidiary of SHC. All assets of SFC other than the ranches and assignment contracts will be delegated to NSFC. In addition, NSFC will acquire the reserve account established by SFC to cover decommissioning costs. There will be no changes in either facility operations, administration, corporate oversight, or previous commitments made by SHC. In addition to the financial statements submitted annually for SHC and SFC, SHC will submit annual financial statements for NSFC.

SFC submitted financial statements with its December 21, 1989, amendment application. These included the balance sheet and income statement of SFC as of November 30, 1987, and the projected balance sheet and income statement of SFC as of December 31, 1989. Robert S. Wood, Senior Financial Policy Analyst, has reviewed these financial statements and believes that, based on the information provided, the licensee remains financially qualified to operate the facility and ultimately to decommission it using one of the financial mechanisms allowed in § 40.36.

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Conclusion/Recommendation

Based on the discussion, the staff concludes that the proposed changes will not adversely affect the protection provided for health and safety of the employees and public or the environment. Therefore, the staff recommends approval of the application.

The Region IV Principal Inspector has no objection to the proposed action.

**Original Signed By:**

Charles Robinson  
Uranium Fuel Section  
Fuel Cycle Safety Branch  
Division of Industrial and  
Medical Nuclear Safety, NMSS

**Original Signed By:**

Approved by: W. S. Pennington Sr.  
George H. Bidinger, Section Leader

OFC	: IMUF <i>CAH</i>	: IMUF	: NRR	: IMUF	: OGC	: IMSB
NAME	: CRobinson	: VTharpe	: RWood	: GBidinger	: R Kohner	: GSjohom
DATE	: 12/29/89	: 12/ /89	: 12/29/89	: 12/29/89	: 12/29/89	: 12/ /89