

*To DCS 8/19/82
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AUG 17 1982

FCUP:WAN
40-8027

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

Gentlemen:

This refers to your applications dated May 22, 1980 and April 14, 1982 related to disposing of solidified raffinate sludge in a below grade pit to be located on Kerr-McGee property now the Sequoyah UF₆ production plant.

Considerable effort was expended in drafting an environmental assessment based on the original May 22, 1980 publication. The modified application submitted on April 14, 1982, suggests that major changes are needed in the environmental assessment because of potential use by Kerr-McGee of a sludge calcination process that would greatly reduce the volume of material to be buried. Further, the April 14, 1982 application states that the preferred disposal option for calcined material is transport to the Kerr-McGee mill at Grants, New Mexico as source material for uranium recovery.

In view of the uncertainty of the Kerr-McGee plans for sludge processing and disposal, we believe it inappropriate to continue work on an environmental assessment related to these applications. We request that Kerr-McGee withdraw the applications identified above and resubmit a new and complete application when firm corporate decisions regarding sludge processing have been made.

Sincerely,

Original Signed By:
W. T. Crow

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

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