



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

FEB 2 1994

Docket: 40-8027
License: SUB-1010

Sequoyah Fuels Corporation
(Subsidiary of General Atomics)
ATTN: John Ellis, President
P.O. Box 610
Gore, Oklahoma 74435

SUBJECT: NRC INSPECTION REPORT 40-8027/93-13

This refers to the routine, announced inspection conducted by Mr. G. M. Vasquez of this office, accompanied by Mr. J. C. Shepherd of the Office of Nuclear Materials Safety & Safeguards, on November 29 through December 3, 1993. The inspection included a review of activities authorized by Source Materials License SUB-1010. At the conclusion of the inspection, the findings were reviewed with those members of your staff identified in the enclosed report during an exit briefing conducted on December 3, 1993.

The inspection was conducted to observe Sequoyah Fuels Corporation's (SFC's) activities related to ongoing decontamination and decommissioning activities associated with the uranium hexafluoride (UF6) conversion and depleted uranium tetrafluoride (DUF4) plants. In addition, the inspection was conducted to assess SFC's capability to respond to an emergency in accordance with its Contingency Plan.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of a review of management controls, a selective review of procedures and representative records interviews of personnel, and observation of activities in progress.

The inspector observed that activities in the UF6 and DUF4 plants were limited to cleanout activities underway in the UF6 plant. The inspector and the NRC project manager also reviewed SFC's compliance with its Contingency Plan, including the circumstances surrounding the licensee's request for an exemption from Contingency Plan requirements and the subsequent withdrawal of the request. No problems were noted with SFC's staffing capabilities as prescribed in the Contingency Plan.

No violations or deviations were identified; therefore, no response to this letter is required. However, the inspection identified several issues for which your further review is recommended. These issues include: (1) matters relating to contamination control (reference report Section 1); (2) management guidance and procedures regarding housekeeping (reference Section 1); (3) minor updates needed to the Contingency Plan (reference Section 3.1); (4) care in providing information to the NRC as a result of inaccurate

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information provided in your letter dated July 23, 1993 (reference Section 3.3); and (5) problems with SFC's decommissioning files, some of which have existed for several months (reference Section 4). The inspectors were concerned that these issues indicated problems regarding guidance provided by SFC management to workers.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC's Public Document Room.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,



Dwight D. Chamberlain, Acting Director
Division of Radiation Safety
and Safeguards

Enclosure:
Appendix - NRC Inspection Report
40-8027/93-13

cc:
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Sequoyah Fuels Corporation

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bcc:
 DMB - Original (IE-07)
 LJCallan
 DDChamberlain
 LWCamper
 *CLCain
 RAScarano, RV
 MMessier, OC/LFDCB (4503)
 WLFisher
 *LLKasner
 *GMVasquez
 *MIS System
 *RIV Files (1)
 *NMIS
 JGilliland
 JCShepherd, LLWM/NMSS (5E2)

 *W/IFS Form

*RIV:NMIS	*NMSS	C:NMIS <i>CLC</i>	ADD:DRSS <i>LLK</i>	AD:DRSS <i>DDC</i>
GMVasquez	JCShepherd	CLCain	LWCamper <i>W</i>	DDChamberlain
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*Previously concurred

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GMVasquez	JCShepherd	CLCain	LWCamper <i>ls</i>	DDChamberlain
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*Previously concurred