

ORIGINAL

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Title: Investigative Interview Of:
Reginald B. Cook
(Closed)

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BEFORE THE
U. S. NUCLEAR REGULATORY COMMISSION

In the Matter of:)
INVESTIGATIVE INTERVIEW OF:)
REGINALD B. COOK)
(CONFIDENTIAL))

Conference Room
Sequoyah Fuels
Gore, Oklahoma
Wednesday, February 27, 1991

The above-entitled matter convened for
INVESTIGATIVE INTERVIEW pursuant to notice at 10:50 a.m.

APPEARANCES:

On behalf of the U.S. Nuclear Regulatory
Commission:

LARRY CHAPMAN, Senior Investigator
Office of Investigations
U. S. Nuclear Regulatory Commission
Suite 1000, 611 Ryan Plaza
Arlington, Texas 76011

1 On behalf of Sequoyah Fuels:

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IRA S. SHAPIRO, Attorney

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Winthrop, Stimson, Putnam & Roberts

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P R O C E E D I N G S

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2 MR. CHAPMAN: For the record, this is an interview
3 of Reginald B. Cook, who is employed at Sequoyah Fuels
4 Corporation, Gore, Oklahoma. The location of this interview
5 is the Sequoyah Fuels Facility, Gore, Oklahoma.

6 The date is February 27 and the time is 10:50 a.m.
7 Present at this interview in addition to Mr. Cook is Ira
8 Shapiro, who is an attorney from the law firm of Winthrop,
9 Stimson, Putnam & Roberts, Washington, D.C. and is
10 representing Sequoyah Fuels Corporation. Also present at
11 this meeting representing the U.S. Nuclear Regulatory
12 Commission Office of Investigations is Larry Chapman.

13 Mr. Cook, would you please stand and raise your
14 right hand?
15 Whereupon,

16 REGINALD B. COOK

17 appeared as a witness herein, and having been first duly
18 sworn, was examined and testified as follows:

19 MR. CHAPMAN: For the record, Mr. Cook has
20 furnished a file which relates to his investigation that was
21 requested by Mr. Graves shortly after this matter came to
22 surface, in probably early September when this investigation
23 was conducted by Mr. Cook. He has brought that here and we
24 may be referencing that file as we go along here.

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EXAMINATION

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BY MR. CHAPMAN:

Q Mr. Cook, the last time I spoke with you, I spoke with you on October 11, 1990 and at that time we also took sworn testimony from you. I have it here in front of me and I'm going to ask you a couple of questions that we discussed earlier.

A Okay.

Q Back during that discussion we had in October of 1990, as I indicated earlier, you had conducted some sort of an informal investigation regarding the SX pit area where the digging of the hexane tank and the solvent dump tank was conducted.

A That's correct.

Q So we're clear on the record here, the excavation we're talking about was the area immediately north and adjacent to the solvent extraction pit --

A That's correct.

Q -- where they were unearthing two underground storage tanks. This is commonly referred to as the SX pit, for lack of a better term. One of the things that I had an interest in at that time was a concern that on August 7, 1990, a discussion was held between Carolyn Couch who is the Manager of Environment, and Jim Mestepey, who was Senior Vice President. And you have indicated that your

1 investigation disclosed that that meeting did in fact occur
2 sometime in the afternoon after lunch on the 7th of August,
3 correct?

4 A I'd have to look at the notes. I know it was
5 August 7, I'm not sure if it was in the afternoon -- let me
6 see if I -- I just have in my notes that it occurred on the
7 7th.

8 Q All right, sir. Are you -- do you know if it
9 occurred after lunch? Let me also add, if you recall, there
10 was a senior staff meeting that morning of the 7th.

11 A Right. It was after lunch.

12 Q Okay. There's no specific time noted as to when?

13 A No.

14 Q Would we be fairly safe in an assumption that it
15 would be after one o'clock in the afternoon?

16 A I would think so, lunch is typically twelve to
17 one.

18 Q One of the things that you mentioned, the first
19 charge that you were given on this investigation was to look
20 into the fact that someone knew about high levels of uranium
21 in the excavation area on the 7th of August, and did not
22 take any follow up action. Did you specifically ask Carolyn
23 Couch or Jim Mestepey if they were aware of specific
24 laboratory results, when they had their meeting the
25 afternoon of August 7, 1990?

1 A I don't believe they had any specific sample
2 results. Jim's comment was that he knew there was small
3 pockets of uranium and Carol's was that she knew there was
4 uranium in the hole. And the discussion that they had on
5 that August 7 meeting between Jim and Carol was that there
6 was a french drain system being installed in the pit and
7 that that should take care of any seepage problems that they
8 had.

9 Q Would I be correct in understanding your comments
10 that although both acknowledged they knew there was uranium
11 contamination in the water in the pit, they did not discuss
12 or relate to you any values or specific laboratory amounts?

13 A No.

14 Q Did you have an indication from either of these
15 two individuals in your discussions or investigation with
16 them that they felt these were of elevated or significant
17 levels?

18 A No. Based on the discussion they had at the time,
19 they didn't consider them significant levels. Mestepey's
20 exact comment I believe -- I can't give you his exact
21 comment -- as I remember his comment, it was that he had the
22 small uranium pockets and that his french drain system that
23 he was installing in that pit would be sufficient to handle
24 that small contamination.

25 Q Did you have any discussions, as you recall, with

1 Mr. Mestepey or Ms. Couch regarding the fact that the
2 uranium levels at the SX should be of concern to a human
3 safety? Do you understand what I'm saying? That they
4 expressed concern to you that the encounterment of small
5 pockets of uranium should be of concern to take protective
6 measures against individuals entering and exiting excavation
7 areas?

8 A We did not discuss that.

9 Q Did not discuss it?

10 A As far as health physics implications of the
11 uranium that was there, we didn't talk about that.

12 THE REPORTER: Excuse me, I didn't hear your
13 answer.

14 THE WITNESS: In respect to health physics
15 considerations of the uranium that was there, we didn't
16 discuss that.

17 BY MR. CHAPMAN:

18 Q Was there -- in your charge by Mr. Graves to
19 conduct this inquiry or investigation, was there any, I
20 guess, charge that you look into the health physics area or
21 that you ascertain the level of contamination that would be
22 in that excavated area?

23 A No. My responsibility, as I understood it, was to
24 determine, if I could, is samples were reported and who they
25 were reported to and who knew that when. I think as we

1 discussed before, what I discovered with our current
2 laboratory procedure we had at the time, there was no way to
3 ascertain if anyone had received sample results and if they
4 had received them, when they had received them, or even when
5 they had been prepared actually.

6 Q Okay. So I would be correct in that that area not
7 being explored doesn't indicate one way or the other whether
8 they felt it was high or low, it was just a non-explored
9 area.

10 A It was just a non-explored area.

11 Q In discussing this August 7 meeting between
12 Carolyn and Mr. Mestepey, did you pursue it with any other
13 individuals who might have been in the area or who might
14 have been privy to this meeting? Did you explore the
15 possibility that Ms. Couch and/or Mr. Mestepey may have
16 discussed their comments with other Sequoyah Fuels
17 personnel?

18 A I didn't find any other personnel that they had
19 discussed it with. They were the only two individuals that
20 I -- well I'm making the assumption -- I think they were the
21 only two individuals at the meeting and I'm not aware of
22 their discussing that meeting or the results of that meeting
23 with anyone else. I also made a commentary in my
24 investigation that a meeting of that importance where -- to
25 discuss that french drain system, should have been

1 documented. They didn't document that, it's my feeling they
2 should have, but hindsight is 20/20 of course.

3 Q During our previous conversation in October 1990,
4 we also discussed the laboratory's analysis and their
5 readings and we agreed that we just really don't know
6 whether Ms. Couch or anyone else actually received these
7 laboratory analyses that were taken on the 4th, the 6th and
8 the 7th. You did make a comment to me though that -- and
9 I'll quote your answer here. We talked about, I believe
10 when we discussed that -- I don't remember if I wrote
11 anything about it in the notes, but she had missed the staff
12 meeting that morning because she was out taking those
13 samples. Those samples being the 7th of August 1990, which
14 is a Tuesday morning. Did you happen to inquire of Ms.
15 Couch why she considered it important that she be out taking
16 samples on the morning of the 7th and miss the senior staff
17 meeting which she is normally required to attend?

18 A My understanding of that is that that morning they
19 were at the bottom of the excavation and she needed to
20 finish the soil sampling in order for them to continue with
21 their form preparation, whatever else they had to do next.
22 She can give you, I'm sure, a better explanation of why it
23 had to occur at that time, but my understanding of it was
24 that once they reached the bottom of the excavation, in
25 order to meet the regulatory requirements for the petroleum

1 products possibly being in the ground, that they had to take
2 samples at specific depth levels and at the bottom of the
3 excavation. And that was that morning. So if she hadn't
4 taken them then, we would have had contractors on hold
5 unable to continue.

6 Q All right, sir. Were you present at that August
7 7, 1990 staff meeting?

8 A Yes.

9 Q Do you recall in that staff meeting any
10 discussions of the SX area regarding contamination of
11 uranium in the area being dug?

12 A I honestly don't remember a thing that was
13 discussed that day. I couldn't even find any notes on it.

14 Q That was my next question. Do you have any notes
15 on the meeting.

16 When the meeting was over, did you have any
17 impression that there was a concern for any uranium products
18 out there, the best you can recall?

19 A I don't recall anything, Larry.

20 Q Were you present when Mr. Knoke came back after
21 that meeting and made a general announcement to the people
22 who remained at the meeting that he had looked at some
23 specific laboratory results and it measured somewhere around
24 three grams per liter?

25 A No.

1 Q You had already exited the meeting, you feel?

2 A I'm almost positive I had, I very seldom remain
3 much after the meeting.

4 Q Do you recall Mr. Knoke coming by your office and
5 making any comments to you about specific laboratory
6 analysis?

7 A No.

8 Q On the August 7 meeting -- who chairs those
9 meetings in the absence of the President?

10 A Typically it's Jim Mestepey.

11 Q In the absence of Mr. Graves, the President, is it
12 normally Jim Mestepey who is placed in charge of the plants?

13 A No, it kind of rotates. It's -- I've been in
14 charge, Ron's been in charge, Lee's been in charge -- he
15 rotates that responsibility.

16 Q Do we know who specifically was in charge on the
17 7th?

18 A I don't remember, but if he wrote a letter
19 designating his responsibility, it would be in the chron
20 file.

21 Q During our discussion in October 1990, one of the
22 questions you were asked was the fact that Ms. Couch came
23 out on Saturday, the 4th of August, and took some samples of
24 water from the excavation area, and according to her she
25 didn't get around to knowing about these lab reports until

1 the 17th, you said. The indications I have from talking to
2 Ms. Couch earlier, she was on vacation the 16th and 17th
3 through the 19th which is a Sunday. Have you had an
4 opportunity to discuss this with her since then or have you
5 revisited this issue about the 17th?

6 A No, I haven't revisited the issue. I think that
7 comment -- I'd have to look back here -- came from Mike
8 Chilton. In my interview with Carol, she didn't
9 specifically say that the first day she knew was the 17th.
10 I believe that was Mike Chilton that made that comment. And
11 he just says he discussed it with Lee Lacey -- yeah, Mike
12 met with Lee and Mike Nichols on the 17th, to discuss those
13 samples.

14 Q Pardon?

15 A Mike met with Lee and -- Mike Chilton met with Lee
16 Lacey and Mike Nichols on the 17th to discuss Carol's
17 samples of the 17th -- or Carol's samples of earlier in the
18 month. Now I don't remember, did she say that she had
19 reviewed them?

20 Q Yeah, the indications were that why she waited
21 from the 7th to the 17th when she specifically came in --
22 no, I didn't ask her that, but the 17th is the correct date.
23 I think what you're saying is --

24 A Yeah, the 17th is the first date her samples were
25 made known.

1 Q But for the record, you did not specifically
2 discuss with her, nor has she indicated that she saw these
3 on the 17th.

4 A No.

5 Q Okay. Did you happen to, during your discussions
6 with particularly Ms. Couch -- happen to inquire of her why
7 she took her concerns on the evening -- the afternoon of
8 August 7th to Jim Mestepey and not to her immediate
9 supervisor, Michael Nichols?

10 A No, we didn't discuss that. I think I commented
11 last time my particular opinion is she probably should have
12 gone through the chain of command there but did not do that,
13 went straight to Mestepey with it. I didn't ask her why.
14 It wouldn't be an unusual thing, not necessarily for her,
15 but for anyone, to take whatever they were involved in
16 directly to the next person that had oversight to it, or
17 whatever.

18 Q Well I guess what I'm kind of asking here too, Mr.
19 Cook, isn't that kind of what's contributed the problem
20 here, is we haven't followed the chain of command, we've had
21 people that decided to bypass or take it upon themselves to
22 address issues and not fully inform personnel who should
23 have had some sort of knowledge of it.

24 A That's correct.

25 Q Did Mr. Mestepey, in your discussion with him, go

1 back and talk to Mr. Nichols or anyone, Mr. Lacey, and say
2 one of your subordinates has come by to express a concern,
3 are you aware of this concern she has?

4 A I didn't ask him that, I'm not sure whether he
5 did.

6 Q Did he indicate that he had?

7 A He didn't indicate that he had.

8 Q Also during our discussion in October, we got into
9 a small discussion of determination that was made on August
10 16, 1990, to backfill some of the area around the excavation
11 with some contaminated material, and you said yes, there was
12 a meeting that you believed occurred the same day as the
13 letter, which I understand the letter is dated August 16,
14 between Mr. King to Mike Nichols. You said, "I wasn't in
15 attendance, but there were discussions on the pros and cons
16 of doing that." How do you know there were discussions on
17 the pros and cons if you weren't at that meeting?

18 A I think if you read that again, I believe I said
19 after that, while I wasn't there, I really don't know if
20 there were discussions about that or not. And I wasn't in
21 the meeting, I don't know, I was making the assumption. I
22 don't know why else they would have had the meeting but not
23 being there, I really can't give an evaluative text of what
24 was discussed. You had the letter, didn't you?

25 Q No, sir. For the record, the letter that Mr. Cook

1 is referencing is dated August 16, 1990 and the subject is
2 "Backfilling Plant Around SX UST Enclosure". And in
3 paragraph two, it references hand covering the next foot of
4 contents, 1300 drums of contaminated rock, sand and
5 concrete, and rock from pond number two now on hand. And
6 it's signed by Mr. King, as I said, and directed to Mr.
7 Nichols, with copies to Mr. Mestepey, Mr. Fryer, Ms. Couch,
8 Mr. Lacey and Ms. Sue Smith.

9 To your knowledge, did they actually use this
10 material to backfill the excavated area?

11 A I'm pretty sure they used some of it, Larry, but I
12 can't give you that as a certainty. The reason I say that,
13 I think Laura Conton speaks to it back here, that -- well
14 she references what was being put back into the hole.

15 Q One of the questions of curiosity for me was why
16 did you get into that issue if you were merely primarily
17 charged to look at the water samples being taken? What
18 brought up this issue for you to be concerned with?

19 A It was in Bob King's log is the first place that I
20 discovered that there was a meeting about backfilling, so I
21 just looked to see if there was any documentation around
22 that meeting that might have discussed anything to do with
23 contamination results that were already dictated on paper,
24 that someone knew about.

25 Q So you kind of expanded it as you were continuing

1 along in your inquiry.

2 A Right, I thought there might be a discussion there
3 due to X number of grams per liter of uranium in the water,
4 this stuff is all right to put in there. I didn't find
5 anything like that, but that's what I was looking for.

6 Q Mr. Cook, in your normal daily activity, I believe
7 you're the Comptroller of --

8 A Controller.

9 MR. SHAPIRO: I've never known which of those
10 words is which, I use them interchangeably.

11 THE WITNESS: They are interchangeable.

12 MR. SHAPIRO: Oh, good.

13 BY MR. CHAPMAN:

14 Q In your duties as the chief financial officer --

15 A Okay.

16 Q -- are you normally privy to material or meetings
17 or inspection reports that the NRC would issue relative to
18 Sequoyah Fuels Corporation?

19 A Yes.

20 Q One area that I'd like to ask if you have some
21 specific knowledge of is somewhere in either April or May of
22 1990, Sequoyah Fuels personnel went to the NRC headquarters
23 -- Region IV Headquarters in Arlington, Texas for what is
24 commonly referred to as an enforcement conference.

25 A Correct.

1 Q And in this enforcement conference, there was some
2 committal on the part of Sequoyah Fuels Corporation to take
3 a conservative approach in reporting events that occur
4 around here -- and I use the term "events" not in the
5 context of NRC construed events, but happenings,
6 circumstances that occur. Would you have been privy to the
7 August -- I'm sorry, this May or April meeting results?

8 A I didn't ever seen anything written about the
9 meeting. I know that after, I believe it was Scott and Jim
10 and Reau that actually went to the meeting --

11 Q Scott?

12 A Knight. Who is no longer here. That when they
13 came back, the discussion was that the key point of the
14 meeting was to be overboard in reporting, communicating with
15 the NRC.

16 THE REPORTER: Excuse me, could you speak pu
17 please, sir, I can't hear you.

18 THE WITNESS: I'm sorry.

19 THE REPORTER: Would you repeat the last part of
20 your last answer?

21 THE WITNESS: To be overboard in communicating
22 back to the NRC to the point of reporting things, borderline
23 things -- anything.

24 BY MR. CHAPMAN:

25 Q Do you think -- well let me back up and ask you

1 for specific knowledge. Do you recall any specific meetings
2 attended by the senior level staff where this point was
3 specifically conveyed to the staff, rather than it just be
4 kind of an osmosis approach that is floating amongst the
5 plant, that you should be conservative?

6 A I really don't remember. I think that it was
7 conveyed in a staff meeting, but I can't swear that that
8 happened.

9 Q One of the reasons I was asking that information
10 was you had a discussion with Mr. Lacey in the context of
11 your inquiry, which he, Mr. Lacey, conveyed that he didn't
12 feel that the event was a reportable issue and you said that
13 you -- your answer was we went through the rationale not to
14 report. He, Mr. Lacey, was off on Monday and talked to Reau
15 on Tuesday and the question was asked, did Mr. Lacey give
16 you a reason why he felt it was not important and your
17 answer was he discussed it, but I don't remember the
18 rationale behind it, to tell you the truth.

19 In light of this enforcement conference and in
20 light of the feeling amongst the staff that you should go a
21 little bit overboard, did you happen to inquire of Mr. Lacey
22 during your investigation as to why he wouldn't take a
23 conservative approach?

24 A No, I didn't ask him that question.

25 (Discussion off the record.)

1 MR. CHAPMAN: For the record, we held a small off-
2 the-record discussion and we're now back on the record here.

3 BY MR. CHAPMAN:

4 Q Mr. Cook, I believe during your inquiry, you
5 discussed with Mr. Lacey the fact that this event that
6 occurred out there at the SX pit would be reportable or not
7 reportable, is this correct?

8 A That's correct.

9 Q And Mr. Lacey indicated to you that he first made
10 an independent decision based on his review of 10 CFR 20.403
11 and its applicable reporting requirements that it was not
12 reportable.

13 A Yes.

14 Q Did he also indicate to you that as a follow up,
15 or in conjunction with his opinion, he contacted Mr. Keith
16 Asmussen of General Atomics and relayed the events and facts
17 as he knew them, and also Mr. Asmussen agreed that it was
18 not reportable?

19 A Yes.

20 Q Mr. Lacey told you this during your inquiry?

21 A During the inquiry.

22 Q Did Mr. Lacey indicate that he had a change of
23 mind or that he reconsidered his first opinion somewhere
24 between the time after his discussion with Mr. Asmussen and
25 before his discussion with Mr. --

1 A He indicated that he felt it was still a gray area
2 and that over the weekend, as he thought about it, he
3 determined that he needed to discuss it with Mr. Graves when
4 he returned.

5 Q As Manager of Regulatory Compliance and Quality
6 Assurance, whatever his title was at that time -- the main
7 individual for regulatory knowledge here, did he ever
8 indicate to you why he didn't immediately discuss this with
9 Mr. Mestepey rather than wait for Mr. Graves?

10 A No, he didn't indicate that at all.

11 Q Did you inquire as to why he decided to wait and
12 discuss it with the President?

13 A No, I did not.

14 Q Did he indicate the enforcement conference of
15 April or May of 1990 had a bearing on his decision to
16 reconsider?

17 A No, I don't believe that he did.

18 MR. SHAPIRO: Just for my own clarification,
19 Reggie, would you say in terms of the hierarchy, Mr. Lacey
20 and Mr. Mestepey were basically equal or did Mr. Lacey work
21 for Mr. Mestepey?

22 THE WITNESS: At that actual time, Mr. Lacey would
23 have been what one would consider probably two levels below
24 Mr. Mestepey.

25 BY MR. CHAPMAN:

1 Q One of the reasons I inquired of that is Mr.
2 Mestepey, I believe, returned on the 20th of August at some
3 two o'clock in the afternoon, according to what Mr. Mestepey
4 has told us. I'm kind of curious why Mr. Lacey wouldn't go
5 to the senior person on site with his concerns or his
6 reconsideration. Did you happen to inquire of that?

7 A I didn't ask that question.

8 Q Or did he particularly indicate why he bypassed
9 Mr. Mestepey?

10 A No.

11 Q Mr. Chilton, Michael Chilton, was by his own
12 testimony collecting data, laboratory data, concerning the
13 water that had been extracted from that area out there, and
14 I'm sure in the course of your inquiry, you discovered that
15 Mr. Chilton found some high readings upwards to eight grams
16 per liter that were documented, and Mr. Chilton, I think you
17 referenced earlier, indicated to you that he brought this
18 matter up to Mr. Lacey who in turn -- Mr. Lacey took it over
19 to confer with Mr. Nichols, am I correct?

20 A Yes. Mr. Chilton brought the samples down to
21 discuss them with Mr. Lacey and Mr. Nichols was in the
22 office I think at the time he showed up to discuss that.

23 Q Now I believe we discussed a little bit earlier,
24 during the absence of Mr. Graves and Mr. Mestepey, you were
25 not exactly sure who was in charge of the plant during that

1 period of time. Would it have been Mr. Lacey?

2 A No, it would have probably been either Mr.
3 Mestepey or Mr. Adkisson.

4 Q Being Mr. Graves and Mr. Mestepey are both absent
5 from the plant between basically the 16th to the 20th -- I'm
6 sorry, the 17th and the 20th of August, I guess my question
7 I'm trying to ascertain from you, Mr. Cook, is did you
8 happen to inquire as to who Mr. Lacey would have gone to
9 next with his report that he didn't consider it an event
10 that needed to be notified to the NRC?

11 A I didn't inquire, no. That being the scenario at
12 that time, probably Mr. Adkisson would have been the one
13 left in charge.

14 MR. SHAPIRO: Could I just clarify for my own
15 understanding and to make sure that Mr. Cook is responding
16 accurately from his knowledge, is it -- I'm trying to
17 understand, Mr. Chapman, whether your question is between
18 August 17 when Mr. Lacey made some consideration of this,
19 and -- are you asking whether he did nothing between that
20 date and when he talked to Mr. Graves? The reason I asked
21 is I'm under the assumption there was -- operating under
22 some assumption that there was an August 20 meeting with
23 some of these people involved.

24 MR. CHAPMAN: Yes. My question basically was
25 centered around with the absence of the President and the

1 Senior Vice President, someone surely was left in a
2 managerial position. And Mr. Lacey being, as you indicated
3 earlier, somewhat two steps below, would have someone that
4 he would need to report to at this facility. And I'm trying
5 to kind of determine if you knew who he was required to
6 report to and if you did or if you didn't in the course of
7 your inquiry bring this information to the responsible
8 managerial person at the time, the time being the 17th
9 through the 20th, before Jim Mestepey returned.

10 THE WITNESS: Once again, Mr. Adkisson would have
11 -- I'm not sure there's any official documentation on that,
12 but at the time probably would have been left in charge and
13 according to my notes, he did talk to Ron.

14 BY MR. CHAPMAN:

15 Q He did speak to Ron Adkisson?

16 A The same day he talked to Keith Asmussen.

17 Q And he discussed the reportability issue with Mr.
18 Adkisson?

19 A Yes.

20 MR. SHAPIRO: And that was on what date?

21 THE WITNESS: That was on August 17.

22 MR. SHAPIRO: And I guess the other part of the
23 question was on August 20 when Mr. Mestepey returned, did he
24 get a report on the situation, to your knowledge?

25 THE WITNESS: I'm not aware of one.

1 BY MR. CHAPMAN:

2 Q Not aware of Mr. Mestepey getting a report?

3 A Let me make sure. I should say I don't remember
4 one.

5 Q Please take your time and look at your notes all
6 you wish.

7 A Lee was on vacation on August 20, so unless he
8 communicated it by phone, I'm not aware of how he would have
9 communicated that to Mr. Mestepey.

10 MR. SHAPIRO: But somebody else -- I guess all I'm
11 trying to get out here, because I was a little concerned
12 about what appeared to be the gap between August 17 and
13 August 21, say, when Mr. Graves came back. And I didn't
14 want, without asking, to leave the inference that Mr. Lacey
15 did nothing between the 17th and the 21st, because it
16 appears to be, first, from just trying to put this together,
17 that he did discuss it with Mr. Adkisson on the 17th, and
18 that Mr. Mestepey, when he came back on the 20th, got a
19 report from whoever else was there. If he was on vacation
20 that would explain why he didn't get it from him.

21 MR. CHAPMAN: Right. What I was trying to --

22 THE WITNESS: I have a note here --

23 MR. CHAPMAN: Yes, sir.

24 THE WITNESS: -- that says Jim Mestepey held a
25 data-gathering meeting at 4:00 p.m. on the 20th. I don't

1 know who was involved in that meeting, and I just have that
2 in the notes, he held that meeting at 4:00 p.m. on the 20th.

3 BY MR. CHAPMAN:

4 Q What type of meeting? I missed it.

5 A Data gathering relating to this excavation.

6 Q Data gathering. So I assume that your note means
7 that this meeting was specifically called to address the
8 issue of the SX.

9 A Yes.

10 Q What I was trying to understand and get down for
11 the record is who would be senior management person on site
12 on the 17th of August, to which Lee Lacey should make his
13 report. If I understand your answer, based on what you
14 know, it would be Ron Adkisson.

15 A That's correct.

16 Q And we have it well documented that Lee Lacey did
17 speak to Ron Adkisson. And on the 17th, the senior
18 management person present, Ron Adkisson, and the regulatory
19 manager, Lee Lacey, discussed it in probably conjunction
20 with General Atomics, Keith Asmussen, and all three came to
21 the conclusion it was not a reportable event, as they
22 understood it on the 17th of August, 1990.

23 A That's correct.

24 Q Would that be what you discovered in your inquiry?

25 A That's correct.

1 MR. SHAPIRO: My only question would be the phrase
2 "in conjunction". Was it a three-way conversation, to your
3 knowledge, or did Lee speak to Keith separately?

4 THE WITNESS: I don't know. I'll just have to say
5 I don't know. I know that Lee spoke to Keith, I don't know
6 if Ron was in the room at the time.

7 BY MR. CHAPMAN:

8 Q Mr. Cook, since our discussion in October, there
9 has been a tremendous amount of NRC participation and on-
10 site presence here at Sequoyah Fuels. Has there ben
11 anything that would change your initial inquiry results or
12 that would cause you to feel that you need to make a
13 clarification of any facts that you first understood and
14 repo ced to me back in October and have subsequently given
15 tot he NRC through its inspection process?

16 A No.

17 Q You feel fairly comfortable that we've covered
18 most of the subject areas that are of concern to the NRC and
19 most of the facts have remained constant since that time
20 frame?

21 A Yes.

22 Q Do you have any comments you wish to add or any
23 information you wish to give at this time regarding your
24 inquiry or any area we may have overlooked that you feel is
25 significant?

1 A No.

2 Q Mr. Cook, have I or any other NRC representative
3 here threatened you in any manner or offered you any reward
4 in return for this statement?

5 A No.

6 Q Have you given this statement freely and
7 voluntarily?

8 A Yes.

9 Q Is there anything further you care to add for the
10 record?

11 A No.

12 MR. CHAPMAN: The time is now 11:42 a.m. and this
13 interview is closed. Thank you.

14 (Whereupon, the interview was concluded at
15 11:42 a.m.)

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C E R T I F I C A T E

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This is to certify that the attached proceedings before the
U. S. Nuclear Regulatory Commission in the matter of:

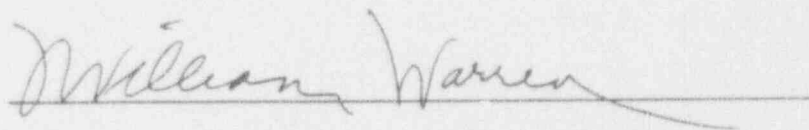
Name: Interview of Reginald B. Cook

Docket Number:

Place: Sequoyah Fuels Corporation, Gore, Oklahoma

Date: February 27, 1991

were held as herein appears, and that this is the original
transcript thereof for the file of the United States Nuclear
Regulatory Commission taken stenographically by me and,
thereafter reduced to typewriting by me or under my
direction, and that the transcript is a true and accurate
record of the foregoing proceedings.



WILLIAM L. WARREN

Official Reporter

Ann Riley & Associates

REPORT OF INTERVIEW
WITH
REAU GRAVES, JR.

On September 19, 1990, GRAVES, President, Sequoyah Fuels Corporation (SFC), Gore, Oklahoma, was interviewed by Nuclear Regulatory Commission (NRC) Investigators Donald D. Driskill and Larry D. Chapman at SFC. GRAVES was questioned concerning his August 25, 1990, telephone conversation with Bill BEACH, Director, Division of Radiation Safety and Safeguards, Region IV, NRC. The conversation, according to an NRC:RIV source, centered on GRAVES requesting BEACH's approval to place slightly contaminated aggregate and soil behind the walls of the recently constructed vault for hexane tanks adjacent the solvent exchange building at SFC. GRAVES purportedly advised BEACH that the structural integrity of the reinforced concrete walls of the vault were in question due to exposure to air for approximately 3 weeks.


As the initial questioning of GRAVES regarding this matter disclosed a differing account of his conversation with BEACH, GRAVES was asked to explain in detail the nature of his request to BEACH and SFC's need for the requested corrective action.


GRAVES explained that the excavation was effected immediately adjacent to the northeast corner of the SX building to a depth of about 20 feet. He explained that as the excavation progressed, the soil on the south end of the pit began to dry out and crumble off into the pit. He stated that as the work progressed, the erosion of the drying soil at the northeast corner, extending westward along the north side of the SX building, continued underneath the north wall of that building. GRAVES stated that upon completion of the vault walls, the engineering department had planned to backfill outside the vault wall with some slightly contaminated aggregate and soil which was stored on site. He stated that as a result of the delays in the project due to NRC and SFC investigations concerning the uranium contaminated water migrating into the pit, SFC engineers became more concerned about the erosion of the soil beneath the wall of the SX building. He said that on about August 25, 1990, he was informed that the engineering department had a serious concern about the integrity of the undermined northeast corner wall of the SX building. He said he was told that if backfill was not put into the area between the northeast corner of the building and the vault wall that soon structural damage to that area of the SX building could occur.

GRAVES stated that with this information, he telephonically contacted BEACH seeking permission to place the backfill in this area to eliminate the problem created by the continuing soil erosion there and to provide the necessary foundation support to the building.

GRAVES was advised by investigators that BEACH understood his concern to be for the structural integrity of the recently poured concrete vault walls. GRAVES said this was not the case and that any such understanding was due to a miscommunication or misunderstanding. GRAVES stated that the only area he sought approval to backfill was between the south vault wall and the north SX building wall. He said that upon receiving BEACH's approval to do this, the job was accomplished as intended. He stated this was the only area backfilled around the vault wall at that time.

This report prepared from investigator's notes dated September 19, 1990.


Larry D. Chapman, Investigator
Office of Investigations Field Office, RIV


Donald D. Driskill, Investigator
Office of Investigations Field Office, RIV

REPORT OF INTERVIEW
WITH
ROY DON TAYLOR

On November 1, 1990, R. TAYLOR was interviewed by Nuclear Regulatory Commission Investigator Larry D. Chapman at Broken Arrow, Oklahoma. R. TAYLOR is part owner with his son, Calvin TAYLOR, of Taylor Concrete Construction (TCC), Talaquah, Oklahoma 74465.

R. TAYLOR stated he attended Sequoyah Fuels Corporation's (SFC) 1-day orientation training program in July 1990. R. TAYLOR said that SFC personnel stressed that it was SFC's sincere desire to create a safe environment. Also, SFC stressed that the NRC was very keenly watching over SFC activities. SFC staff stressed the hazards of various chemicals on site at SFC, but played down the uranium levels or any possibility for contamination. In fact, R. TAYLOR stated SFC personnel said that because the plant was shut down that the possibility of uranium contamination was even further reduced.

R. TAYLOR stated as soon as he arrived on August 13, 1990, at the excavation site, [REDACTED] The first thing he observed was large chunks of concrete on top of the tanks along with significant amounts of sand. 6.7C

On the first day (August 13) R. TAYLOR said he saw the yellow water in the pit and inquired of a SFC employee (who was stationed at the top of the pit by SFC as a safety precaution) what was in the water, and was told (by this man) that the yellow was uranium. R. TAYLOR stated there was a significant amount of yellow water in the pit, which was pumped onto the ground, and as he understood, was to run in a ditch leading to a holding pond.

The next day (August 14) SFC began pumping the water into barrels marked radioactive. R. TAYLOR said this worried him more about the contents of the yellow water. R. TAYLOR said he inquired of a SFC employee (who he couldn't remember and/or didn't know his name) why Monday (August 13) they pumped the water on the ground, and the next day they pumped it into barrels. The response in essence was that SFC wanted to be extra careful. R. TAYLOR asked the SFC employee if they were going to test the barrels' contents, and the employee replied that they would test them later and if "bad," SFC will run them back through the plant.

R. TAYLOR said he didn't recall asking any SFC employee about specific levels of uranium contamination or of specific lab results. He recalled Michael NICHOLS, Manager, Health, Safety, and Environment, SFC, being at the pit sometime during the week, but R. TAYLOR said he didn't remember ever asking NICHOLS of any uranium levels of the yellow water.

R. TAYLOR stated that even though he had concern, no one from SFC ever specifically expressed to him, or to his knowledge, any of his workers, any reason to be concerned about uranium levels in the yellow water. All throughout their work (August 13 through 18), no SFC people alerted them or warned them of any possibility of uranium contamination.

6.7C Portals

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Information is being used and will be used
in accordance with the provisions of Executive Order
12812, promulgated 6/7C
FOIA-93-105

R. TAYLOR stated that throughout the time at the site, emphasis was on quick completion of the job and less concern for safety. He recalled that TCC completed setting the forms on Thursday afternoon (August 16) and he (R. TAYLOR) ran into James MESTEPEY (Senior Vice President, SFC) that afternoon and that his (MESTEPEY's) major concern was if it was possible to pour the walls that very afternoon. R. TAYLOR told him it wasn't possible because the concrete wasn't ordered until Thursday. (b)(7)(C)

(b)(7)(C) R. TAYLOR stated he could not recall why, but he knew that SFC wanted the floor to be completed before the next NRC inspectors returned to SFC.

This report prepared from investigator's notes dated November 1, 1990.

Larry D. Chapman

Larry D. Chapman, Investigator
Office of Investigations Field Office, Region IV

REPORT OF INTERVIEW
WITH
LEROY E. ALDERSHOF

On November 12, 1990, ALDERSHOF was interviewed by Nuclear Regulatory Commission Investigator Larry D. Chapman at his residence [REDACTED]. ALDERSHOF was the previous owner of Gore Rental Service, Gore, Oklahoma 74435.

ALDERSHOF confirmed that Jimmy SMITH, S&S General Contractors, rented a 3 inch gasoline powered pump in August 1990. ALDERSHOF stated that he recently sold his business, and all records are in storage and unavailable. According to ALDERSHOF, SMITH told him the pump was too contaminated to return and SMITH purchased the pump. As he recalls, the pump cost about \$980.

ALDERSHOF stated he was moving to Arizona and all of his files are packed and unavailable for review.

This report prepared from investigator's notes dated November 12, 1990.

Larry Chapman

Larry D. Chapman, Investigator
Office of Investigations Field Office, Region IV

REPORT OF INTERVIEW
WITH
KENNETH H. SCHLAG

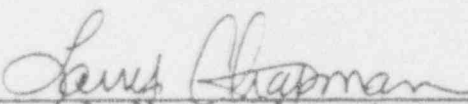
On January 11, 1991, SCHLAG was interviewed by Nuclear Regulatory Commission Investigator Larry D. Chapman at Sequoyah Fuels Corporation (SFC), Gore, Oklahoma 74435. Since October 15, 1990, SCHLAG has been employed at SFC as a Hydrogeologist, and his supervisor is Carolyn COUCH, Manager, Environment, SFC. He was previously employed [REDACTED] b7C

SCHLAG stated that his previous employer was contracted by SFC, specifically COUCH, to take soil samples from the excavation area next to the solvent extraction building. As he recalls, he made an advance review trip on Friday, August 3, 1990, to survey the excavation area, then on August 7, he entered the excavation and took two sets of three soil samples at the gradient end (north end) of the excavation. He stated that the specific location for the samples were left to his independent decision. He advised that his samples were taken for soil chemical analysis and did not include uranium testing. COUCH told SCHLAG the samples were to determine if the underground tanks had ever leaked.

While at and/or in the excavation, he did not observe any standing water. The bottom of the pit he was in was covered with sand, and, therefore, he doesn't recall any muddy ground conditions while taking the soil samples.

He took one set of soil samples to his previous employer to be analyzed, while the other set he gave to COUCH. SCHLAG recalled that COUCH stated SFC intended to take her samples and test for uranium presence and other chemicals. He also recalled that later, COUCH said the uranium levels were below detectable limits. Also, he recalled that SFC personnel were present (on August 7) taking air samples while he was taking his soil samples. He also noted that other workers, whom he did not know, were also present in the pit.

This report prepared from investigator's notes dated January 11, 1991.


Larry D. Chapman, Investigator
Office of Investigations Field Office, Region IV

Information in this record was deleted
in accordance with the Freedom of Information
Act, exemptions b7C
FOIA 93-105