

ORIGINAL

OFFICIAL TRANSCRIPT OF PROCEEDINGS

Agency: Nuclear Regulatory Commission

Title: Investigative Interview of
James H. Mestepey (CLOSED)

Docket No.

LOCATION: Gore, Oklahoma

DATE: Thursday, March 7, 1991

PAGES: 1 - 74

Information in this record was deleted
by the Nuclear Regulatory Commission
Act, 10 CFR 2.204
FOIA: 6, 7C
93-105

ANN RILEY & ASSOCIATES, LTD.

1612 K St. N.W., Suite 300
Washington, D.C. 20006
(202) 293-3950

4 - 90 - 012

EXHIBIT 94

PAGE 1 OF 76 PAGE(S)

9402140075 930518
PDR FOIA
VIERA93-105 PDR

31/98

L. J. Carter

D/11

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

On behalf of Sequoyah Fuels:
IRA S. SHAPIRO, Attorney
Winthrop, Stimson, Putnam & Roberts
1133 Connecticut Avenue, N.W.
Washington, D.C. 20036

P R O C E E D I N G S

1
2 MR. CHAPMAN: For the record, this is an interview
3 of James H. Mestepey, who is employed by Sequoyah Fuels
4 Corporation, Gore, Oklahoma. The location of this interview
5 is the Sequoyah Fuels Facility, Gore, Oklahoma. The date is
6 March 7, 1991 and the time is 1:40 p.m.

7 Present at this interview in addition to Mr.
8 Mestepey is Ira Shapiro, who is an attorney from the law firm
9 of Winthrop, Stimson, Putnam & Roberts, Washington, D.C., and
10 is representing Sequoyah Fuels Corporation. Also present at
11 this meeting representing the U.S. Nuclear Regulatory
12 Commission, Office of Investigations is Larry Chapman and Don
13 Driskill.

14 Mr. Mestepey, will you please stand and raise your
15 right hand?

16 Whereupon,

17 JAMES H. MESTEPEY

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

20 MR. CHAPMAN: Be seated, sir.

21 EXAMINATION

22 BY MR. DRISKILL:

23 Q Just to summarize I guess in my own mind, Mr.
24 Mestepey, where we -- some of the things that we discussed in
25 our past interviews, you, as the Senior Vice President, were

1 left essentially in charge of Sequoyah Fuels Facility during
2 the month of August, when Mr. Reau Graves, the President, was
3 away on vacation, is that correct?

4 A I would have to assume that. I don't think he put
5 out an official notice, but I was the highest ranking
6 official on site.

7 Q Okay. And did he indicate to you that you'd be in
8 charge while he was away or essentially assume his duties
9 while --

10 A Not exactly, no.

11 Q Okay, but in the normal scheme of things, as Senior
12 Vice President, you're in charge of operations and what other
13 areas of responsibility do you have?

14 A Reporting to me I have Operations, which is
15 normally production; Engineering, I have the process lab,
16 Training and also Maintenance.

17 Q Okay. And then on the other side of the house I
18 guess -- currently, I don't know how it did back then,
19 reports to Mr. Lacey, but that was the Health Physics and --
20 essentially Mike Nichols' operations and all that. They
21 weren't under your --

22 A No, they were not under my jurisdiction and that
23 was the only things that I had responsibility and authority
24 over at that time.

25 Q I don't recall the specific dates, but the plant

1 was not in operation around late July through the beginning
2 of September and there were a number of projects that I
3 assume that you principally were in charge of having to
4 complete during this period that the plant was not in
5 operation, is that correct?

6 A That is correct, or either the departments that
7 report to me were directly responsible for them.

8 Q Okay. And I guess the principal project that the
9 NRC has been interested in and that you've been questioned
10 about several times since September 1 or late . . . just anyway,
11 was a project relating to an excavation immediately north of
12 the SX building, which was designed to remove the sand and
13 earth area around two tanks that had been previously buried
14 there, and in order to comply with some EPA regulations, the
15 object of the excavation was to unearth that area and place
16 cement walls and a cement floor around those tanks, in order
17 to remove them from a buried tank definition I guess that EPA
18 has, is that correct?

19 A That is correct.

20 Q And I suppose then, as we've discussed previously,
21 this was a project amongst some other projects that had been
22 planned over a period of months to be done during the period
23 of the shutdown?

24 A That is also correct.

25 Q As we've discussed several times too, and I guess

1 the principal area of concern to the NRC was the fact that
2 with the initiation of the excavation there adjacent to the
3 SX building, there was a migration of some water into the
4 area being excavated that had to be dealt with during the
5 period of two or three weeks that they were conducting this
6 project. And we've talked at length previously about why --
7 the reasons why the NRC was not notified or informed
8 regarding the existence of this water, which was found to
9 have been contaminated to some levels I guess somewhere in
10 the neighborhood of one to -- or actually I think there were
11 some lab samples that were performed on the first day of the
12 excavation which were very low, in the neighborhood of .04 or
13 .4 or something.

14 MR. SHAPIRO: .02 or --

15 MR. DRISKILL: Yeah, they were very low.

16 BY MR. DRISKILL:

17 Q And I think the highest ones that we saw were
18 somewhere up in the neighborhood of eight grams per liter or
19 something like that. These were lab samples that were taken
20 during the first couple of weeks of the excavation process.
21 And we discussed that at some length, and you're well aware
22 of the fact that certain parties in the NRC felt that they
23 should have been notified about that as soon as the water
24 became evident and the lab analyses were received reflecting
25 that.

1 A I'm aware of that now, yes.

2 Q I believe you told us before that you were not
3 really ever made aware of those lab analyses, which we had a
4 printout list of lab analyses, most of which were taken of
5 samples which were analyzed during the first ten days,
6 principally I think were the ones. The sheet that we had
7 that came from the lab, you remember that little computerized
8 list of analysis? I think for the most part, a lot of those
9 had to do with the analysis of the barrels and a number of
10 other things that were taken later in the month, but I think
11 the ones that were -- the lab analyses which were most -- of
12 most interest to us and the NRC were those that were -- the
13 samples that were taken, water samples that were taken from
14 the pit and analyzed during the first couple of weeks. And
15 as you recall, those seem to have disappeared for a few days
16 and the parties submitting them were not aware of them and
17 there was some discussion, I think we talked to you about if
18 anybody made you aware of those, at least immediately upon
19 the analysis being performed, and you indicated that aside
20 from probably the very first analysis which was taken I think
21 by Bob Kiehn, you had not been made aware of any of those lab
22 analyses. Do you recall saying that?

23 A At the moment, I really don't recall telling you I
24 did not receive them.

25 Q Okay, well I think, to the best of my recollection,

1 you indicated that aside from -- and I don't know that you
2 actually ever said you saw the piece of paper, but that Kiehn
3 or perhaps Mr. Fryer or somebody made you aware that the
4 first analysis was like .2 or .02 or .4 or .04, somewhere in
5 that neighborhood, very low as far as reportable limits or
6 that sort of thing. And we discussed some samples that were
7 taken by Carol Couch and the fact that -- we asked you about
8 whether she had showed you those and I don't think you ever
9 indicated -- I think you were pretty sure that she never
10 showed you any of those, and to be quite honest, we don't
11 have any information that would be contrary to that, to the
12 statement that you made that -- I don't have anybody saying
13 they showed you those samples, the ones that Ms. Couch took,
14 so I'm not being argumentative or trying to set you up on
15 anything like that.

16 But I -- to the best of my recollection, I think
17 you said you did not recall anybody ever coming in and
18 apprising you of any specific laboratory analysis values from
19 those.

20 A That's correct.

21 Q And of course, I think we discussed at length, a
22 conversation you had with Ms. Couch on like the 7th of August
23 where she came and talked to you about the french drain and
24 its adequacy as far as dealing with the contaminated liquids
25 that were going to be present adjacent the pit once the

1 concrete walls were poured and all that sort of thing.

2 A There were numerous discussions about that french
3 drain, I don't remember the specific dates that we discussed
4 that french drain.

5 Q Yeah.

6 A That it would serve two purposes.

7 Q Well I realize that this is some months after the
8 fact, but at the time we talked about it earlier on, you had
9 some recollection of that particular conversation with her,
10 and I believe that I was basically satisfied with where --
11 with the answers you gave, so I'm not being -- I'm just
12 trying to go back through some of those areas.

13 MR. CHAPMAN: Might I inject on the fact, for
14 reference point, discussion with Carolyn Couch, it was the
15 afternoon following the senior staff meeting which occurred
16 on August the seventh, that's what you indicated. She came in
17 sometime after lunch and you and her had the discussion.

18 THE WITNESS: Did I indicate it or did she indicate
19 it?

20 MR. CHAPMAN: No, sir, you indicated that that's
21 your best recollection, that it occurred after the senior
22 staff meeting on the seventh.

23 THE WITNESS: It could have.

24 MR. CHAPMAN: Well is that in direct conflict now
25 that you know that would indicate it wasn't on the seventh?

1 THE WITNESS: No, because like I said, there are
2 numerous times that that french drain was discussed, but a
3 reference point in terms of time, I can't really give you
4 one.

5 MR. CHAPMAN: Just for a matter of information, was
6 there more than you one time you discussed it with Carolyn
7 Couch during this time frame?

8 THE WITNESS: I don't recall whether I discussed
9 this more than once, but I'm sure I discussed it with the
10 engineers.

11 MR. CHAPMAN: I was just hoping that would perhaps
12 simplify the date for you.

13 BY MR. DRISKILL:

14 Q Okay, I think there were some other areas, but I'm
15 not interested in even bringing those back up now, that we
16 discussed, and that was on August 7 (sic), when you and I
17 first talked. I don't remember whether Larry was here or
18 not. But you and I first -- the first time we talked. We
19 talked again on August 14 (sic) and the principal topic of
20 discussion we had during that discussion related to --
21 remember that pipe that the NRC was notified about which
22 exists in the process building that had existed there for a
23 long time and they had sampled the water out of it for awhile
24 and --

25 MR. CHAPMAN: For the record, Mr. Driskill doesn't

1 have the documents in front of him. The discussions he's
2 referencing were September 7 and September 21. He mentioned
3 August, but he meant September.

4 MR. DRISKILL: Oh, yeah, I'm sorry, these were our
5 interviews, I'm sorry. Those were the month of September, I
6 talked to you on September 7 and September 14?

7 MR. CHAPMAN: Twenty-first. The recorded
8 conversation?

9 MR. DRISKILL: Yeah.

10 MR. CHAPMAN: Twenty-first.

11 MR. DRISKILL: Oh, I'm sorry. Okay, well I wrote
12 the wrong date down, because I looked at it just a minute
13 ago.

14 BY MR. DRISKILL:

15 Q But anyway, so that would have been the 21st we had
16 our second -- was the second occasion that I talked with you
17 and that was one, I believe we had a transcript of that
18 particular interview. And we talked about the -- I forget
19 the name you used for it.

20 MR. SHAPIRO: Sub-floor monitor.

21 MR. DRISKILL: Yeah.

22 A That's correct.

23 BY MR. DRISKILL:

24 Q That had been installed by Kerr-McGee some years
25 ago and it was still in existence in some obscure, out-of-

place in there, and perhaps it was on -- my reference to the 14th, was that the day you started the plant back up?

1 A That's the day we started the plant back up, or the
2 evening before. It was in that time frame and I think the
3 14th is the day we reported.

4 Q Yeah, okay, so that's where the date of the 14th
5 came from. And that was the day that Mr. Lacey contacted
6 somebody at the Region IV NRC office and advised them that
7 some information had come to his attention relative to that
8 sub-floor monitor or whatever they call it, and indicating
9 that it contained some liquids that when tested reflected
10 some degree of uranium contamination. So then I know that
11 there were a bunch of tests done on that on a recurring
12 basis.

13 But when that information came to the NRC's
14 attention, they asked me to incorporate that into what I was
15 doing at that particular point in time, and I -- and inasmuch
16 as I believe you and Mr. Lacey had discussed this sub-floor
17 monitor and its existence or the information relative to its
18 existence came to his attention, and prior to his contacting
19 the NRC. So it was just natural that I talk to you about
20 that, and I think that we did discuss that.

21 As best I can recall, and based on having looked at
22 our previous interviews, that was the general topics that we
23 discussed previously. And again, as I said, we may have some
24
25

1 questions here relative to some of those things that were
2 covered in those. If you'd like to refresh your memory by
3 looking at any documentation we have, please feel free to do
4 so, but as I said before, we're not going to try to trip you
5 up, we'll give you the advantage of telling you what you said
6 before if we want to cover some of the same ground -- we'll
7 be happy to try to do it that way.

8 BY MR. CHAPMAN:

9 Q Mr. Mestepey, I'd like to cover a couple or three
10 areas with you, and I'd like to specify some time frames that
11 I'm interested in discussing with you. Of particular
12 interest, a lot of the questions I will ask you are in
13 relationship to your prior notification to the NRC on the
14 22nd. I will be seeking information that you would have
15 known prior to the NRC being formally notified of the levels
16 of water out there. I will go back to some period of time
17 before that, to some pre-planning meetings.

18 With that in mind, you made a comment a little
19 earlier that there had been some meetings amongst the
20 Operations staff and the Engineering staff relative to the
21 excavation of this pit, correct, sir?

22 A That is correct.

23 Q Without getting into specific dates because I know
24 they're a little difficult to understand, did these meetings
25 occur prior to the actual excavation beginning out there at

1 the site?

2 A There were several meetings prior to the excavation
3 of the site, yes.

4 Q During these meetings, as a cumulative whole -- I'm
5 not asking for specific dates -- was there some discussion of
6 the fact that there could be contamination located as the
7 excavation was done? And the contamination being uranium
8 contamination.

9 A I don't recall any specifics in terms of uranium
10 contamination at that point.

11 Q Was there any discussions as you recall, sir, in
12 these meetings, that there were documentations of overflows
13 of the solvent dump tank that had spilled out on the ground,
14 or do you have any knowledge of a 1988 visit by the NRC to
15 take some soil samples in the area that was later to be
16 excavated, some two years later?

17 A No, I do not recall.

18 Q During your discussions, these pre-planning
19 discussions, was there ever any mention to you or knowledge
20 by you that Ms. Couch and Mr. Lacey had made some visits to
21 the Oklahoma Corporation Commission and/or Oklahoma Water
22 Resources Board prior to excavation?

23 A They could have made some visits and me not know
24 it. I don't recall it.

25 Q Okay, sir, my question is did anyone of these two

1 individuals make you aware of their visits prior to the
2 excavation?

3 A I don't recall.

4 Q Okay, sir. Do you recall if either one of these
5 two individuals, Mr. Lacey or Ms. Couch in particular, ever
6 provided you information that there is somewhat of a
7 delineation of jurisdiction over the two tanks, one tank
8 involving the uranium solvent dump tank, for lack of a better
9 term than I have, the other one containing mostly hexane --
10 that the EPA was concerned with hexane but the NRC has
11 jurisdiction over the solvent dump tank?

12 A Yes, I'm well aware of that.

13 Q So prior to excavation, that was not an unknown
14 factor?

15 A That's correct.

16 Q In light of that, was there any thought process of
17 yours, sir, that it might be prudent or conservative, prior
18 to the excavation, that someone should maybe give the NRC a
19 courtesy call and let them know there would be a major
20 excavation soon to take place involving an area that they may
21 have some concern -- some jurisdiction over?

22 A No, not at the moment, because I think we had
23 conveyed to them that we had planned to shut down and certain
24 things we were going to do, certain activities were going to
25 take place during that shutdown.

1 Q Sir, would one of those activities you conveyed to
2 them that you were going to do, be this excavation?

3 A No, I did not directly convey it to them.

4 Q So what you're telling me is you don't know what
5 was conveyed to them?

6 A That's correct.

7 Q Did, as a matter of reference, a Mr. Blair
8 Spitzberg arrived on site on August 6, 1990, along with a Mr.
9 Vasquez, to do what the NRC calls I think an unannounced
10 visit -- do you recall holding any type of entrance meeting
11 with Mr. Spitzberg and Mr. Vasquez at that time?

12 A I would have to go back to the records to see if I
13 could refresh my memory as to them coming on site.

14 Q You mean you don't know if they were ever on site?

15 A I know they were on site, I don't know about the
16 entrance.

17 Q Whether you were a participant in the entrance?

18 A That's correct, I don't know if I was.

19 Q Well it's kind of important that we know that, so
20 if you need a document to find that out, it has a direct
21 bearing on my information I'm seeking from you regarding the
22 solvent extraction.

23 MR. SHAPIRO: Has that been covered in prior
24 interviews with him?

25 MR. DRISKILL: Well in some respects it has. I'm

1 not precisely sure that we talked about the entrance meeting,
2 but I know that -- I think it was immediately subsequent to
3 the entrance meeting that Ms. Couch and you took Mr.
4 Spitzberg and Vasquez on a tour of the site, and if you
5 recall, that was the instance where we had the situation
6 where y'all walked up adjacent to the excavation there and
7 Spitzberg made the comment "do you know what's in the water".
8 And as I recall, you said you didn't hear him make that
9 statement; therefore, you didn't answer him. Do you remember
10 our discussion about that?

11 THE WITNESS: That is correct. I recall walking to
12 that excavation site with Vasquez and Spitzberg, but I was
13 only with them a very short time.

14 MR. DRISKILL: The only reason I remind you of
15 this, and it doesn't have anything to do with the questions
16 before, was do you recall being at the entrance meeting just
17 prior to that tour taking place?

18 THE WITNESS: No, I still don't. Because they
19 could have had an entrance meeting before I got involved with
20 them.

21 MR. DRISKILL: Okay.

22 BY MR. CHAPMAN:

23 Q Well the reason I asked that, Mr. Mestepey, is
24 because Ms. Couch has indicated that you were the senior
25 representative of Sequoyah Fuels at this entrance meeting and

1 were in charge of the entrance meeting. Her making that
2 statement, I'm looking to you to either corroborate her
3 statement or refute it, whatever the case may be. And that's
4 why I'm willing to provide you any opportunity to do so.

5 A The only way I can is to go back to the records and
6 see if we have an entrance meeting, record of it, to assure
7 myself that I was there.

8 MR. SHAPIRO: Would there be such a record
9 ordinarily?

10 THE WITNESS: Quite frequently there are records
11 kept like that on entrance meetings.

12 MR. CHAPMAN: Let's go off the record.

13 (Discussion off the record.)

14 MR. CHAPMAN: Okay, for the record, Mr. Mestepey
15 has had an opportunity to research any records that he had to
16 attempt to locate, in regard to the question I asked him if
17 he remembered being present at an entrance meeting on August
18 6 when the NRC came in.

19 BY MR. CHAPMAN:

20 Q Mr. Mestepey, were you able to locate any such
21 documents?

22 A Could not locate a document that stated that I was
23 at that entrance meeting.

24 Q And for the record, sir, prior to you searching
25 your files, your answer to me was that you don't know if you

1 were at that meeting, or don't recall.

2 A That is correct.

3 Q Okay. Shortly thereafter the meeting, which
4 according to a memo you did locate dated August 6, 1990, and
5 I understand you obtained from Lee Lacey, it references
6 Messrs. Spitzberg and Vasquez arrived on site to conduct a
7 routine unannounced inspection at this date. At
8 approximately 12:15 an entrance meeting was held. So we can
9 feel fairly comfortable that the date and the time will hold
10 up as to when the entrance meeting occurred and the time it
11 occurred.

12 A That's correct.

13 Q So with that information in mind, sir, Mr. Driskill
14 indicated earlier that you -- I'm sorry, that Mr. Vasquez and
15 Mr. Spitzberg desired a tour of the facility and in this
16 tour, they visited the area being excavated, correct, sir?

17 A That is correct.

18 Q My question, sir, is do you recall accompanying
19 these individuals out to the excavation after this entrance
20 meeting?

21 A I recall going to the excavation with them, but
22 like I said, I don't recall being at a meeting. I could have
23 been because my memory may have failed me in that regard.

24 MR. SHAPIRO: We're on the question of after the
25 meeting, whether you went out to the excavation.

1 MR. DRISKILL: Did you immediately go with them on
2 this tour?

3 THE WITNESS: I went on the tour with them to the
4 excavation site, yes.

5 BY MR. CHAPMAN:

6 Q Do you recall, sir, who was with you at the tour
7 while you were present?

8 A I think I recall Vasquez, Spitzberg, myself, Carol
9 Couch at the site, I think Simeroth was at the excavation
10 site. There were other people out there but I don't recall
11 who all was present.

12 Q All right, sir. While you and Spitzberg and
13 Vasquez and Couch and Simeroth -- were y'all all present in a
14 group, standing there looking at the excavation?

15 A That is correct.

16 Q Sir, while y'all were standing there, do you recall
17 looking into the pit and observing any type of off-colored
18 water down in the pit?

19 A No, I do not recall that.

20 Q Okay, sir. Do you recall any water present in the
21 pit? I don't want to taint it with an off-color comment, so

22 --

23 A I recall there being some liquids, yes, in that
24 pit.

25 Q Mr. Spitzberg has indicated, and the NRC has

1 somewhat expressed a concern, that Mr. Spitzberg asked if
2 anyone knew what was in that water. Were you present when
3 that question was asked?

4 A No, I was not.

5 Q You had already left that area?

6 A That's correct.

7 Q Do you recall that day, shortly thereafter, within
8 the week the inspectors were here at least, anyone coming
9 back to you and relaying to you the fact that Mr. Spitzberg
10 had inquired of the contents of the water?

11 A No, I do not recall that question, nor anyone
12 coming to me with that question.

13 Q During the week -- I know what you said, I want to
14 make sure -- no one came back and said Mr. Spitzberg asked
15 that question?

16 A Not that I recall.

17 Q Okay, and it's well established you now have full
18 knowledge of that information, but I'm limiting it to this
19 time frame. Can you tell me, sir, your earliest recollection
20 of your observation of yellow water at that excavation? And
21 I'll let you reference it by the completion schedule of the
22 project itself, where the walls were up, footing were poured,
23 whatever is necessary for your time frame.

24 A At the moment, the only time I can remember is
25 after the rains of the weekend I think of the 11th, 12th,

1 somewhere along there.

2 Q Yes, sir.

3 A Then after that, I did observe the colored water,
4 discolored water.

5 Q Sir, were you aware -- I'm sorry, when you made
6 your tour of the excavation with Spitzberg and Vasquez, did
7 you happen to observe any barrels or water from this
8 excavation being pumped into barrels during the week of their
9 visit?

10 A I don't recall any at that time.

11 Q Okay. Had anyone give you -- and this may be what
12 you say you don't recall, but I want to make sure that I
13 cover both areas -- had anyone come to you with information
14 that they were pumping water into barrels during the week
15 these gentlemen were here?

16 A I think I recall some mention of some minor pumping
17 of liquids from that excavation at that time.

18 Q Do you recall who provided you that information?

19 A No, I do not recall at this time.

20 Q Do you recall, sir, if at the time you were
21 apprised that there were some liquids being pumped out of
22 there, that there could be any uranium contamination in it?

23 A It'd be conjecture on my part, but yes, I would
24 have to assume if it was discolored and the people were
25 putting it in drums, I would assume that they would assume

1 that it is contaminated.

2 Q You opened up a couple of questions there for me.
3 One, you didn't have any information of discolored water
4 until later and now you're saying the first week, so I want
5 to make sure that I understand you. When these people came
6 to you, did they indicate to you it was discolored, that was
7 being drummed?

8 A I don't recall at that moment, but I recall some
9 later on, yes.

10 Q Well I --

11 A But at that time frame --

12 Q Did they indicate to you why they were putting it
13 into barrels as opposed to merely pumping it out on the
14 ground?

15 A No, I don't recall that.

16 Q Don't recall anyone giving you any indication of
17 why?

18 A No.

19 Q Now I believe you told me, sir, that you recall
20 being out at the facility, or the excavation area, I'm sorry,
21 shortly after a rain occurred, which for the record has been
22 well established I think that that rain occurred on the 11th
23 and 12th, over a weekend.

24 A That's correct.

25 Q And I believe that in previous testimony and

1 information you provided, you indicated that you recalled Bob
2 Kiehn giving you a call, informing you that there was
3 substantial amounts of water in the pit after this rain, is
4 that correct, sir?

5 A That is correct.

6 Q And Mr. Kiehn -- I'm sorry, that you instructed Mr.
7 Kiehn to sample the water and advise you of the results.

8 A That is correct.

9 Q To your knowledge, did Mr. Kiehn do that and give
10 you the results of that?

11 A I don't recall exactly if he was the one gave me
12 the results, but I knew the results at the time that I made
13 the decision to pump the liquids from that excavation.

14 Q Where did you pump these liquids to, sir?

15 A To the north ditch.

16 Q And I believe, sir, that you also indicated to me
17 that prior to doing that, you had some contact with the
18 Health and Safety Department, specifically Carol Couch.

19 A I could have, I don't recall.

20 Q Would you routinely -- I guess I'll just ask you
21 this, would you have routinely taken it upon yourself to pump
22 it to the north ditch without checking?

23 A Yes.

24 Q That's well within your purview to do that?

25 A Yes, at that time.

1 Q Yes, I understand. We're still in that time frame
2 reference, we're not moving forward. I believe you told me,
3 sir, that you have a fairly useable rule of thumb that if you
4 see, for the lack of a better description, yellow water, it's
5 considered to have around one gram of uranium, is that a fair
6 assessment?

7 A That's what I commonly use as a rule of thumb.

8 Q Do you recall, sir, early in the excavation around
9 the first of August, being advised of any water discovered in
10 that pit out there?

11 A No, I do not recall that.

12 Q I want to make sure that your basic understanding
13 and recollection of when you first came would be the 12th,
14 over the weekend.

15 A That's correct.

16 Q I don't want to cover all that ground up there if
17 there's no need to, any recollection or any other information
18 you want to provide -- otherwise, I'm going to assume your
19 first recollection of yellow water would be from the 12th on.

20 A After the pumpings of the 12th.

21 Q After the pumpings of the 12th, all right, sir. In
22 light of that, I believe that you took a vacation sometime
23 toward the latter part of the week after the rains, correct,
24 sir?

25 A Let me correct that, it wasn't a vacation, it was a

1 business trip.

2 Q Okay, I'm sorry, you were off-site.

3 A That is correct.

4 Q And if I have my information that you supplied
5 earlier to my colleague, Mr. Kirspel, you left sometime
6 around 10:00 a.m. on the 16th and did not return to the site
7 until sometime around 2:00 p.m. on the 20th.

8 A That is correct.

9 Q Sir, in your absence, was anyone placed in charge
10 of your responsibilities?

11 A Yes, they were.

12 Q And who would that be, sir?

13 A Mike Chilton was placed in -- responsible for the
14 operations and Sam Fryer was acting as Vice President.

15 Q Prior to you leaving the facility, I believe you've
16 indicated to us and you and I have discussed to some degree
17 the information I'm fixing to throw out on the previous
18 interview and give you an opportunity to clarify, you though,
19 prior to your leaving that you had requested Mike Chilton to
20 take a composite sample of drums that had been collected,
21 which numbered some 72, from water that was collected I guess
22 after the rains in barrels by the excavation, correct?

23 A I don't know if that's totally true. I asked him
24 to review that whole situation in terms of those liquids that
25 were being extracted from the excavation.

1 Q Okay. For a matter of information for you, our
2 original conversation on the seventh, you indicated that on
3 August 16, you left for (Paducah, Kentucky) leaving a phone
4 number where you could be reached, and so stipulated you
5 turned over your duties to Mike Chilton. And in your absence
6 was a note, I don't know if it was written -- I assume it had
7 to be written if it's a note obviously -- to follow up on the
8 sampling of the first 72 barrels. That's what you indicated
9 to us then. Is that now still the case or do you recall?

10 A That could have been. I'm confused in my time
11 frame in that regard, because in my own mind I can still
12 visualize where those 72 drums are setting at that time.

13 Q You can visualize that?

14 A Absolutely.

15 Q Did you instruct Mr. Chilton on the procedures for
16 sampling these 72 barrels, or did you leave it to his
17 discretion?

18 A I answered earlier, I don't think I give him
19 specific instructions to sample those 72, I don't know if
20 they were all there at that particular time, but to take a
21 look at that water that was being extracted from there, to
22 see what our situation was.

23 Q Okay, just for record purposes and information,
24 we'll grant all of that. Mr. Chilton, as is well
25 established, as a result of either your instructions or what

L. R. Perkins

1 he understood your instructions to be, did assimilate some
2 data reference the water that was in the SX pit and upon
3 assimilating that data discovered that there were ranges of
4 between one and eight grams per liter of uranium in the water
5 that had been extracted from that pit.

6 A That is correct.

7 Q And you indicated to me, sir, that Mr. Chilton
8 contacted you while you were in ~~(Kentucky)~~ is that correct,
9 sir?

10 A That is correct.

11 Q And Mr. Chilton indicated to you that he had these
12 values of one to eight grams per liter.

13 A I recall information in terms of the one gram, I
14 don't know if I heard anything as high as eight grams per
15 liter.

16 Q You don't think Mr. Chilton would keep anything
17 from you, surely not? I mean if he would give you one value,
18 surely he would give you all of them.

19 A I'm not saying he didn't give me that value, but I
20 don't recall that.

21 Q The eight grams?

22 A That is correct.

23 Q Sir, when is your first recollection of the eight
24 grams per liter?

25 A That I don't recall either, but most probably when

1 I went back and reviewed some of the data and see the timing
2 of it.

3 Q Well how about on the 20th when you returned on
4 site and you made a contact with Mr. Lacey or Mr. Chilton or
5 someone here, and y'all decided that this was definitely
6 information NRC might be of interest to -- of interest of --
7 do you think when you returned on the 20th, at the meeting
8 you held that you mentioned, upon your return, that these
9 values were made known to you?

10 A Yes.

11 Q So you feel comfortable on the 20th, you at least
12 knew of eight grams per liter?

13 A That's correct.

14 Q And as a result of that, it's well established,
15 sir, that you made your recommendation to Reau when he
16 returned, and Mr. Graves in turn instructed someone to
17 contact the NRC, which Lee Lacey did on behalf of Sequoyah
18 Fuels.

19 A That's correct.

20 Q Now in light that we've got some sort of an
21 understanding of your time frames and such, I want to back up
22 and ask a few questions specifically that we agreed to. One
23 is I'm curious why Mr. Kiehn had been at the pit on several
24 days and had, by his admission and Mr. Fryer's admission and
25 some other folks, been barreling this water since around the

1 sixth and in fact by admission in their response to the NRC,
2 why all of a sudden on the 13th or 12th, Mr. Kiehn would
3 decide it's necessary to contact Mr. Mestepey when he had not
4 bothered to notify him prior, and seek permission to take
5 samples of water?

6 A I don't think I can answer for Bob, I don't know
7 why.

8 Q Did Mr. Kiehn indicate why he was calling you?

9 A He indicated, and I knew of quite a rainstorm early
10 that morning, that we had quite a bit of water in that hole -
11 - I'm sorry, that excavation.

12 Q Yes, sir. Well why -- did he call you just because
13 he was concerned about the volume of water?

14 A It'd be conjecture on my part, but I think so.

15 Q I'm just trying to understand what your
16 understanding of Mr. Kiehn's contacting you was -- that's why
17 I was asking that question.

18 MR. SHAPIRO: I'm not going to get into speculating
19 either, but it's certainly possible that Mr. Kiehn could be
20 barreling small amounts of water and then feel that a larger
21 amount of water required a different situation or at least
22 discussion.

23 MR. CHAPMAN: Oh, no argument, Ira, I just wanted
24 to know on the receiving end of the phone call what was your
25 impression Mr. Kiehn was calling you about, from your

1 information.

2 (Discussion off the record.)

3 MR. CHAPMAN: After an off-the-record discussion,
4 we're now back at 2:35.

5 BY MR. CHAPMAN:

6 Q Mr. Mestepey, I feel in all fairness to you, sir,
7 that we need to give you some dates and information that you
8 provided us back in the interview of September 7, as we have
9 them. And I'll start off by telling you that you indicated to
10 us that around August 1, 1990, you first heard of small
11 amounts of water being found at the excavation area near the
12 solvent extraction building, and that the water was being put
13 in the drums. And you also indicated at that time, sir, that
14 the water was yellow and that it was normal to pump liquids
15 into drums in order to control it, because he obviously
16 didn't want unknown water running in various areas of the
17 facility. And you indicated, sir, that your first knowledge
18 of the water in the pit was a very low quality and very low
19 contamination levels. And we didn't have a specific low
20 contamination level at that time. And you said, of course,
21 you were, like everyone else, very attuned to the fact that
22 there was hexane out there and it was a very volatile
23 chemical, subject to explosive attributes and you didn't want
24 anyone to get hurt, so you were concerned and focused on the
25 hexane.

1 And that even hearing basically values of one gram
2 per liter didn't get you too excited because you're used to
3 dealing with and hearing of uranium elevations of up to 1200
4 grams per liter.

5 A That's correct.

6 Q And you indicated in your opinion, as long as the
7 uranium is contained in the water -- I'm sorry, contained in
8 the water in the drums or the pit, it's controlled, it's not
9 going anywhere.

10 A That's correct.

11 Q It's a very restricted area. And of course, we've
12 been over the fact of your visit on August 6 at the pit with
13 Mr. Spitzberg, and at that time you weren't able to give us
14 much information except that you were there for a short
15 period of time but you weren't present during any -- when the
16 question of Mr. Spitzberg was asked and you had no knowledge
17 of it then and of course you still have no recollection of it
18 now.

19 Later, just for refreshment purposes, you said you
20 were thinking later to yourself that some samples of the
21 water were taken by Bob Viehn early in the excavation.

22 A That's correct.

23 Q And that you never knew the exact contamination
24 amounts and you didn't really inquire at that time, the early
25 part of the excavation. And then we got into the discussion

1 of the rainwater and you basically said that you did ask for
2 sample results and received assurances that they were well
3 within the limits as allowable to go to the north ditch and
4 you made that decision to send them to the north ditch.

5 A That's correct.

6 Q Which is well within your purview and your
7 authority.

8 A That's correct.

9 Q And we asked a few questions about the water and
10 you said you estimated some two to three thousand gallon were
11 pumped to the north ditch, and nobody is quibbling over
12 whether it was two thousand or three thousand, it was just a
13 large volume of water needed to be removed out of the pit for
14 the contractors to continue on with their work.

15 A That's correct, and that was calculated.

16 Q Yes, and I've since got your sheet of how you went
17 about doing some calculations. And I'm not in question about
18 that at all. I have a little bit of concern on what you told
19 me then and I need to explore with you later is, all the
20 water was pumped out of the pit, but the next day there was
21 more yellow water present in the pit which you thought was
22 attributed because of the recent rains.

23 A That's correct.

24 Q And what you told me on August 7 -- I'm sorry, on
25 September 7, was basically you had decided on the 16th to

1 take samples of the first 72 barrels that had been drummed
2 and ordered it done, of whom we don't know, but we assume Mr.
3 Mike Chilton. Through the note we assume, but we don't know
4 that. And at drum 93, you started keeping a book of
5 specifically the locations and the amounts and so forth in
6 the sample. And you said your recollection is readings on
7 the first 72 barrels showed about one gram per liter.

8 A That's correct.

9 Q And as a matter of record if anybody wants to know,
10 the results are 1. --

11 A 08.

12 Q -- 08, so that's well consistent with what you
13 said. And now --

14 MR. SHAPIRO: Since we're looking and going over
15 this, do you have a date on that?

16 MR. CHAPMAN: I have the lab sample over here and
17 we're going to get into that discussion, because it has a
18 play on these dates a little bit. The actual date of the lab
19 sample, by the way, is August 22. Then, sir, in our
20 interview of September 7, you indicated that on August 16,
21 you left for ~~(Paducah, Kentucky)~~³ and we've since established
22 even the time you left.

23 THE WITNESS: That's correct.

24 BY MR. CHAPMAN:

25 Q Leaving a phone number where you could be reached.

W. McArthur

1 A That is correct.

2 Q Which as a matter of record, now we know is a
3 relative of yours. And that as you indicated earlier, you
4 turned over your responsibilities to Mike Chilton for
5 operational purposes.

6 A That's correct.

7 Q Among several items that you left for Chilton to
8 accomplish in your absence was a note that you need to follow
9 up on some sampling of the 72 barrels, that's what you
10 indicated then. We'll certainly get into that and you can
11 clarify it if you need to. As you recall, Mr. Chilton
12 contacted you -- no, I'm sorry, as you recall, you called Mr.
13 Chilton from ~~Kentucky~~ on Saturday, August 18 or Sunday,
14 August 19, and Chilton relayed all known water lab results
15 from that SX excavation. And we did not, for a matter of
16 record, get into the values that he told you. Upon your
17 return on August 20 to the facility, you held a staff meeting
18 at about 4:00 that afternoon.

19 A That is correct.

20 Q And that you started your meeting by saying that
21 you felt there was far more water in the excavation than at
22 first thought and the NRC should be contacted on this issue.

23 A That is correct.

24 Q And we got a little out of sync here on this
25 interview, I tried to record it as we went along, for some

G. W. [Signature]

1 reason we discussed the fact that you believed that on August
2 15, that you had instructed Jerry Gilbreath to sample every
3 eighth barrel and submit it to the lab for tests -- barrels
4 of water at the SX pit.

5 A I don't recall the date, but I can recall the
6 incident and can recall where the drums were, yes, so we
7 could get a composite of what's there.

8 Q Do you feel that Mr. Gilbreath was the person you
9 conveyed this to?

10 A To the best of my knowledge, I believe that's who
11 it was.

12 Q And then, Mr. Mestepey, you indicated perhaps what
13 you told Chilton was to follow up on the water, that was a
14 quote of yours, and when you telephoned Mr. Chilton, you
15 first learned of the lab results.

16 MR. SHAPIRO: Based on that interview Larry, what
17 date are you saying he asked Jerry to sample the drums?

18 MR. CHAPMAN: The 15th.

19 THE WITNESS: The 15th.

20 BY MR. CHAPMAN:

21 Q Also, Mr. Mestepey, you stated that it was
22 possible, during this phone call, which we were referencing
23 of the weekend of the 18th or 19th, that you were told by Mr.
24 Chilton of his belief and of his express conveyance to you of
25 a need to notify the NRC.

1 A I believe that's correct.

2 Q And then we got into a discussion of what occurred
3 when it was reported to the NRC and your reasons for the time
4 frames of it being reported and you said, sir, that you
5 believed the matter was reported to the NRC, but you didn't
6 feel it was an immediate need because it was not an event.

7 A That is correct.

8 Q But rather a discovery of past action. That the
9 water was in the pit, which was inside a restricted area, and
10 that the environmental monitor wells did not show elevated
11 levels.

12 A That is correct.

13 Q And that's basically all we discussed on September
14 7. Do you have any difficulty with what I've told you so
15 far? And I understand we'll get into some dates.

16 A No, I don't have any difficulty with what you've
17 told me so far.

18 MR. DRISKILL: Of pertinence to this and the
19 testimony -- where we were going a few minutes ago was you
20 didn't recollect any water being in the pit up until the
21 rain. And I particularly remembered that you had indicated
22 at least indirectly some knowledge of the water in the pit
23 because Bob Kiehn had taken a sample the first day and you
24 indicated, as I recall -- I don't have my notes here, but you
25 indicated that you had been made aware of those low sample

1 values that he had submitted to the lab on that water.

2 THE WITNESS: I'm sure I was aware of some of the,
3 but there again, as I said before, I was keying in on
4 quantity, that there were insignificant quantities of liquid
5 at that time, until the rains of the 11th and 12th, that
6 really brought it to my attention.

7 BY MR. CHAPMAN:

8 Q Before we get too far with that, there's some more
9 of this interview that I want to put on the record here, so
10 we get it all in. Also during this discussion, we discussed
11 the fact of an August 7, 1990 staff meeting in the conference
12 room at Sequoyah Fuels, that's a Tuesday morning, and you
13 indicated the meeting was held in the morning and you said
14 you recalled general discussions in this meeting of the 7th
15 concerning water in the SX excavation, but the discussions
16 centered around the difference between micro and milligram.
17 There was some sort of discussion as to values and expressive
18 terms, micro and milli.

19 A That's correct.

20 Q Mr. Mestepey indicated in response to a question
21 that I asked that he never saw Lon Knoke after that meeting
22 come back and make a statement in the presence of some people
23 that there was three grams of water per liter -- or three
24 grams per liter of uranium contamination in the pit, SX pit.

25 A I do not recall that, that's correct.

1 Q Just as a matter of record, you said one of the
2 reasons why you weren't there is you don't normally hang
3 around these meetings any longer than you have to, you've got
4 things to do and places to go and you leave in a hurry.

5 A That's correct.

6 MR. DRISKILL: If you recall the context in which
7 that questioning occurred, Knoke had said that after there
8 was this controversy, there was some brief discussion about
9 water in the pit and somebody was guessing, saying that --
10 there was some discussion about contamination, potential
11 contamination of that water and they got into a discussion
12 about whether it was micrograms or milligrams or exactly how
13 much contamination it was. And as soon as the meeting
14 stopped, Knoke went to the lab and pulled out those lab
15 results which apparently hadn't got distributed real well,
16 because we were trying to figure out where they went and how
17 people weren't informed of the results of those lab tests.
18 But he had gone back, having access to the lab copies of
19 those things, and I think at that time on the 7th, the
20 highest reading on one of them was like about three grams per
21 liter and he said he had gone back and told some of the
22 people in the room, that were still in the room after he came
23 back -- and you said you'd already gone, you didn't remember
24 him coming back, or anything like that.

25 THE WITNESS: That's correct.

1 MR. DRISKILL: I'm just telling you that because I
2 think that's --

3 BY MR. CHAPMAN:

4 Q In light of all that, my next statement kind of
5 ties in with what Don was telling you, one of your comments
6 me was if you had heard of levels of three grams per liter,
7 you would have taken some action to have the water tested.

8 A To have the water what?

9 Q Tested.

10 A Yes.

11 Q If you knew there were three grams, you would have
12 taken some action to have the water tested.

13 A That is correct.

14 Q If you knew of those levels.

15 MR. SHAPIRO: If you had known that, it was because
16 the water had been tested too.

17 MR. CHAPMAN: Well if Don Knoke had come in and
18 told him three grams, he would have taken some additional
19 steps to have that water tested immediately to find out --

20 MR. SHAPIRO: Further tested.

21 THE WITNESS: Further tested and the quantity of
22 it. You know, is it five milliliters, or is it ten gallons.

23 MR. SHAPIRO: But that's the kind of -- Jim, that's
24 the kind of level that if you had heard about it, it would
25 have prompted a further action.

1 THE WITNESS: That's correct.

2 MR. SHAPIRO: Which is one -- I mean one reason
3 that you're aware that you didn't hear about it.

4 THE WITNESS: That's right.

5 BY MR. CHAPMAN:

6 Q Then in connection with that, as a matter of
7 information, on this same September 7 interview, you
8 indicated to me, sir, that you did recall an afternoon
9 discussion -- and we had a qualifier of after lunch, which
10 certainly goes along with -- no, I'm sorry, August 6 -- that
11 on August 7, after that morning meeting, after lunch, you
12 held a discussion with Carolyn Couch in your office, but this
13 meeting was centered around the upcoming planned french drain
14 system to be installed around the vault.

15 A That's correct.

16 Q And Mr. Mestepey expressed to Ms. Couch his belief
17 that the french drain would certainly take care of any water
18 that would be seeping into this vault and would certainly
19 handle any problems I think at that time, with the
20 possibility of -- whatever the term is -- floating the vault
21 out of the hole, basically. I don't know what the technical
22 term for that is. And also that should there be any
23 contaminated water in this area, the french drain would also
24 trap it and by virtue of its engineering design, contain any
25 possible contaminated water.

1 A That's correct.

2 Q And for some reason you felt it important to tell
3 me that you overrode the original engineers' wants that any
4 accumulated water by the french drain simply be allowed to go
5 to the north ditch.

6 A That is correct.

7 Q And of final interest, sir, is that during this
8 meeting of August 7 that Ms. Couch says she had with you,
9 which she says occurred on the 7th, you do not recall Ms.
10 Couch ever mentioning to you specific lab results, actual lab
11 amounts?

12 A No, I do not. I don't think I recalled them then
13 and I don't think I recall them now either.

14 Q Okay, sir, that's basically the gist of what I
15 understood happened on the 7th. Since we've got that, do you
16 agree with this assessment of the interview pretty much?

17 A Yes, I do.

18 Q Okay, we'll take all these as givens and go on with
19 a couple of questions. In light of that, since our interview
20 occurred some week or so after, we now have received some
21 information relative to a memo put out by Don Knoke dated
22 August 30 to Mr. Lee Lacey with copies referencing to you and
23 Mr. Nichols, the fact of some items that we have all come to
24 know as the sandwells. Do you recall getting an August 30
25 memo from Mr. Knoke addressed to Lee Lacey, with you copied?

1 A Yes, I recall it because I reviewed it here
2 recently again.

3 Q But of particular interest, you do recall receiving
4 it August 30?

5 A There's a lot of things come across my desk. I
6 would assume that I did look at it, but I have reviewed it
7 again recently.

8 Q Okay. Do you recall mentioning this to anyone or
9 having any discussions with anyone as a result of this August
10 30 memo that Mr. Knoke sent prior to the 22nd? I don't want
11 to get into anything after the 22nd because that's -- I'm
12 trying to narrow down your knowledge at that time frame.

13 A The only one I recall any discussion with was Don
14 Knoke asking me where those sand -- whatever they call them --
15 - wells were around the SX and I told him I had no knowledge
16 of where they were, didn't know they existed.

17 Q You had no knowledge that they existed?

18 A Not at that time.

19 Q Okay, sir, not to contradict your response to me,
20 but are you familiar with a Sequoyah Facility operating
21 procedure called HS-005, Revision 7 specifically, and just so
22 that we don't have a problem with anything, there's a last
23 page on this which has several signatures and one is
24 purported to be J. H. Mestepey. I ask you if that's your
25 signature, sir.

1 A That is my signature.

2 Q Okay, sir. Does that indicate that you have
3 reviewed or seen this procedure?

4 A That is correct.

5 Q I don't know the exact page, but I think at
6 paragraph 4 in there, there is a -- I believe that's it right
7 there, sir, under 4.1.2, down about subparagraph (f) is a
8 discussion of SX sandwells, first Wednesday of each month.

9 A Okay.

10 Q Having seen that procedure, the memo of August 30th
11 did not trigger your mind that you had any indications that
12 sandwells existed?

13 A No.

14 Q Why not?

15 A Because this is a Health and Safety procedure that
16 we give a review to and approve and do not look at it in
17 close detail. Now those that are in our area, our functions,
18 meaning Operations, we do give an extremely close review to.

19 Q Okay, sir. Also of interest in this is this
20 procedure was rescinded on October 18, 1990. And of note is
21 a memo from you to Mr. Derrell Martin rescinding this
22 procedure.

23 A That's correct.

24 Q Why would you be involving in rescinding a Health
25 and Safety procedure?

1 A If they recommend to me, in this particular case I
2 was the Senior VP who is responsible for also approving
3 procedures now, final approval, then it's my authority then
4 on their recommendation to give Derrell a memo stating that
5 we're rescinding that procedure and that they were going to
6 make that a departmental procedure.

7 Q Okay. Again, would it stand to reason that you
8 didn't pay close attention to the procedure being rescinded?

9 A I knew the procedure, I had reviewed the procedure,
10 but then it was going to be made, it was my understanding,
11 into a departmental instruction.

12 Q That's correct, sir, and it has been and it's well
13 established it was Department Procedure I believe 121, just
14 for informational purposes. I recently received this item
15 and of note to me of some interest is I don't see where you
16 were required to approve this procedure as respect to the HS-
17 005.

18 A That is correct.

19 Q And why is that, sir?

20 A I am not responsible for departmental procedures
21 nor do I have the authority to approve or disapprove
22 departmental procedures.

23 Q Because of the simple fact they're lesser --
24 they're not facility procedures, strictly departmental.

25 A That's correct.

1 Q So that would explain the absence of you being
2 involved in it, sir.

3 A That's correct.

4 Q In light of that, would you have had any knowledge
5 of the fact that the departmental procedures specifically
6 excluded any reference to monthly sample taking of the SX
7 sandwells? Did that come to your knowledge?

8 A I have no reason to review departmental procedures
9 or instructions.

10 Q Okay, just so I understand and for the record. At
11 the time the August 30 memo came out with you a copy of it,
12 you did not take any action to inquire of anyone about SX
13 sandwells, is that correct, other than you talked to Mr.
14 Knoke?

15 A That's correct. Briefly, yes, as I stated before.

16 Q And just so that I've got it on record, I have here
17 in front of me somewhat of a tabulation of data that has been
18 compiled as a result of physical lab analysis and Ira and I
19 have somewhat authenticated it to some degree. Have you ever
20 seen this information prior to the rescinding of it, or at
21 the time of the August 30 memo?

22 A I don't recall ever seeing it.

23 Q Are you even familiar with what the data
24 represents?

25 A If I reviewed this data, I would know what it

1 represents, yes.

2 Q Do you recall ever reviewing it?

3 A I don't ever recall reviewing it.

4 Q Okay, sir, just so that I can also ensure that --

5 MR. SHAPIRO: Or the lab --

6 BY MR. CHAPMAN:

7 Q Or the lab results, you don't recall ever seeing
8 the lab results?

9 MR. SHAPIRO: That's a compilation, Jim, of the
10 monthly results that came out of these sandwells.

11 BY MR. CHAPMAN:

12 Q Okay, sir, in light of that, this information is
13 derived from some sampling of these sandwells which are
14 pipes, as I understand it, basically stuck in the ground
15 along fire protection lines that are somewhat in the
16 proximity of hydrants I guess sticking up for fire
17 protection. And of interest to me, sir, is what has been
18 identified as fire station number two, three, four and five.
19 And I guess for informational purposes of the record, two is
20 the northeast corner, three is the northwest corner, four is
21 the southwest corner and five is the southeast corner. Were
22 you familiar with or ever have knowledge that these pipes
23 were buried in the ground near these stations?

24 A I don't ever recall seeing them. I recall seeing
25 the individual fire stations that are for fire protection in

1 terms of the SX building, that you could get upwind and fight
2 any potential fire in the SX.

3 Q And you've already answered you don't recall seeing
4 any sampling and obviously had no knowledge of any samples
5 being taken?

6 A That's correct.

7 MR. CHAPMAN: Okay.

8 MR. DRISKILL: Are you finished with that are?

9 MR. CHAPMAN: That area, yeah.

10 BY MR. DRISKILL:

11 Q Just to clarify just for a second, and I don't want
12 to prolong this any more than I have to, but you indicated
13 that when you signed -- I guess chronologically speaking
14 here, we had several documents with your signature on them,
15 one was the procedure that included, amongst other things,
16 this business about sampling these sandwells. But you
17 indicated now, your testimony was that although your
18 signature is on that document, you didn't understand what
19 these sandwells were.

20 A That's correct.

21 Q If you read it, you saw the words in there, but it
22 didn't mean that much to you but you didn't have any
23 objection to the procedure and you signed it.

24 A That is correct.

25 Q And then we go to the next document that has your

1 name on it and that was the Knoke memo, which was cc'd to you
2 and you said that you, although you don't specifically recall
3 reading it on the 30th or the first or whatever day you may
4 have gotten it around that time frame, you don't specifically
5 remember it. You do remember some conversation with Knoke,
6 he came to you and asked some questions about it because I
7 guess he was trying to --

8 A Around that time frame, I would have to say yes,
9 that's correct.

10 Q Okay, but still you didn't -- did he tell you that
11 there had been a sampling program going on with respect to
12 these things at that time?

13 A Yes.

14 Q During the course of your conversation.

15 A That's correct.

16 Q Did you ask him for -- or did you tell him you
17 didn't know anything about it?

18 A I think I indicated to him that's the first
19 knowledge I have of it.

20 Q Was there any further discussion --

21 A Not that I recall.

22 Q -- with him about it or did he ever come back to
23 you later on and say yeah, we've had a sampling program going
24 on for 10 or 15 years down there?

25 A He could have and I not recall it.

1 Q But this didn't pose any significance to you about
2 anything?

3 A No.

4 Q Okay. And then we go on and I guess the thing gets
5 rescinded later on and there's a departmental procedure. Let
6 me ask you a quick question, just -- because we talked about
7 the sub-floor monitor, we talked about the water, because I
8 know when we interviewed on the seventh, we discussed where
9 the hell is this water coming from and so on and so forth,
10 and the chronology of the water in the pit there as they were
11 doing the excavation, so on and so forth, where is that water
12 coming from, so on and so forth.

13 With what you know about these sandwells -- and not
14 that you know very much about them now, but they were just a
15 pipe down two or three feet into the ground that they'd been
16 taking samples out of for like 10 or 15 years. Knowing that
17 those existed and that data all existed, would something like
18 that, in those locations, be pertinent to, in your view -- I
19 mean thinking about it right now, I'm asking you this
20 question as of right now saying hey, here's all this data
21 about water samples which came from these four little pipes
22 that were stuck in the ground adjacent to these fire
23 stations, and we've got this much data here from -- I think
24 this is 10 years but I think the thing went on for like 15
25 years sampling those once a month and sending them to the lab

1 and having a lab sample taken. So we've got 15 years worth
2 or 10 years worth of data related to contaminated -- the
3 contamination levels of water that were being taken out
4 around that SX building -- would that data be useful, in your
5 mind right now, do you think that data would have been useful
6 to anybody during the course of all the questions that have
7 been asked over the last couple of months?

8 A I'm sure it could have.

9 Q Now we're talking about some pipes that only go a
10 couple of feet down into the ground. I recognize that this
11 is not going to tell you what's down 50 feet down or 20 feet
12 or 16 feet.

13 A That's correct.

14 Q Or anything else, or -- do you suppose that that
15 kind of data -- well I guess you say that it could have.

16 A It could have helped somebody in some particular
17 case. I don't know if it would have lead them to how much
18 contamination we have here or to expect something down in
19 this pit because then they would have to see if there's a
20 migration path. I am not a hydro-geologist and it's very
21 difficult for me to answer.

22 BY MR. CHAPMAN:

23 Q Okay, I want to explore a laboratory question we
24 talked about a little earlier on these drums, Mr. Mestepey.

25 A Which drums?

1 Q The ones at the SX pit that you asked -- I was
2 fixing to say that you asked Chilton or someone to have a
3 composite sample taken. And for your information, I have
4 researched the documents and I have found through discussions
5 with Mr. Knoke and personal observation, no laboratory
6 reports prior to August 22 in reference to these drums being
7 sampled. I have the lab report here and I think it has some
8 of your writing on it in this case -- I don't know where I
9 got it, but I believe that's some of your handwriting, it has
10 an initial of JHM c there.

11 A That's correct.

12 Q And it talks about drums 1 to 72 and it
13 specifically mentions 1.086 uranium.

14 A Yeah.

15 Q And I guess kind of my question to you, sir, is I'm
16 trying to understand if Mr. Chilton perhaps conveyed
17 information to you prior to the 22nd, which indicated
18 elevated levels, or if you're confusing it with this data
19 that was not taken until the 22nd.

20 A The -- as I view this, this data was reported the
21 22nd.

22 Q Uh-huh. That's correct.

23 A Now --

24 Q So you're saying it's possible you asked for it
25 five or six days earlier than that?

1 A I could have -- that is correct, could have been
2 asked for earlier. It could have been sampled earlier too.

3 MR. SHAPIRO: And there was no result in writing at
4 that time? I notice it was -- it looks like it was requested
5 the 22nd too.

6 MR. CHAPMAN: Yeah, it was requested the 22nd.

7 BY MR. CHAPMAN:

8 Q And I guess what I'm trying to get you to clarify
9 for me is, for date purposes, you returned on the 20th.

10 A That is correct.

11 Q Do you think you asked for these samples prior to
12 your leaving or after your leaving?

13 A That I can't really quantify at this time. You've
14 got to remember that I review reams and reams of data and
15 sometimes you get things out of the time frame. But
16 something triggered me to the quantity and quality of that
17 water that made me drive back from ~~(Kentucky)~~ on the morning of
18 the 20th to have a meeting.

19 Q Well I guess my question now is would one gram per
20 liter of water, would that require you to drive all the way
21 from ~~(Kentucky)~~

22 A If there was a large quantity, yes.

23 Q Large quantity of water?

24 A That's correct, like I was thinking of that we had
25 60 or 70 drums of water we'd collected.

Handwritten signature

1 Q Well I thought you knew about that 72 drums before
2 you left on the 15th, so why would 60 drums now trigger your
3 mind to come back --

4 A Now wait a minute. Did I say that I knew of 72
5 drums?

6 Q Well you indicated that you possibly asked Mr.
7 Chilton, prior to your leaving on the 16th, to sample these
8 drums --

9 A No.

0 Q Let me finish and then I'll give you an opportunity
1 -- and that you asked for every eighth barrel and you
2 specifically recall these drums setting in a certain
3 location. And I've asked you do you remember this prior to
4 leaving or after leaving, and you said I don't recall.

5 So two things would trigger your return, as you've
6 mentioned: high uranium levels naturally, or large volumes of
7 water. So I guess, Mr. Mestepey, what would be the trigger
8 here if you already knew the number of drums that were
9 setting on the side of the pit when you specifically asked
10 for lab results?

11 A Now again, I don't know the time frame, as I said
12 before, whether this was after I returned or before I left.
13 But I distinctly remember where some drums were stacked. I
14 did not count them to say specifically there were 72 drums
15 there.

1 Q Granted. I don't disagree with you, sir. But you
2 said something triggered you to return to the facility over
3 the weekend.

4 A That's correct.

5 Q And I'm trying to understand what triggered your
6 concern to return, and I haven't quite got an answer as to
7 what brought you back to the facility because you indicated -
8 - again, I've already said either high levels or water -- I'm
9 trying to establish what brought you back.

10 A I think it'd be a combination of two things. One
11 is the quantity we were pumping out of that SX excavation and
12 my best professional judgment in terms of how long I've been
13 in the uranium business, to know that some yellow-colored
14 water is contaminated with uranium is one of the things that
15 can cause that. I suspect that that's what triggered it.
16 Now whether I had any information on these drums at that
17 time, I don't recall the exact date.

18 Q Okay, sir. Taking what you --

19 MR. SHAPIRO: But you had some test results --
20 Chilton's report was based on some test results that he had
21 seen and conveyed to you.

22 THE WITNESS: That is correct.

23 BY MR. CHAPMAN:

24 Q A follow up on that bit of information, Mr.
25 Mcstepey, one of the statements you made, based on your

1 professional opinion that yellow water contains about one
2 gram per liter, and knowing that you now had some indications
3 early on in the month through Bob Kiehn, you've agreed that
4 he did tell you there was small quantities of water, and that
5 you knew after the rains and such that there was some yellow
6 water out there and that you could see that it was put in the
7 barrels, you knew that -- did you have a conversation with
8 anyone from Health and Safety with your professional
9 knowledge of one gram per liter, that I feel this water is
10 contaminated, and what protection measures are you taking to
11 protect anyone in the facility -- the pit, I'm sorry.

Is my question too lengthy for you?

13 A It's quite lengthy, yes.

14 Q Would you like me to repeat it?

15 A Please.

16 Q Based on your professional observation that yellow
17 water contains one gram per liter, and acknowledging that as
18 a contamination, as Senior Vice President and knowing this
19 information, did you relay your professional opinion to
20 anyone in Health and Safety?

21 A No, I don't recall I did.

22 Q Knowing that we are all, as I'm sure you are,
23 concerned about the safety of the workers down in the pit,
24 were you supremely confident that those workers were being
25 protected?

1 A At that time, I assumed that they were being
2 protected.

3 Q And I'll ask you what your assumption is based on,
4 sir.

5 A Based on that we have departments around here
6 called Health and Safety that are responsible for certain
7 activities and to be sure that certain rules and regulations
8 are followed and certain procedures are followed.

9 Q As a matter of information for you, the Health and
10 Safety Department has told me, Mr. Nichols expressly in
11 conversations, that he relied on the Operations people since
12 they were collecting the lab data, to ensure that the proper
13 levels of uranium were being adhered to. I'm trying to
14 differentiate between who has got the job of ensuring the
15 workers are protected and I'm having trouble finding out
16 who's taking the steps.

17 A If we go back and look at our license with the NRC,
18 I think you will find that that comes under the domain of the
19 Health and Safety rules.

20 Q Do you feel there was just a total lack of
21 communication between the two groups, or do you feel you have
22 a responsibility to ensure that or do you feel that lies
23 solely with Health and Safety?

24 A You bet I do have a responsibility for the health
25 and safety and there's certain things that I have been around

1 that makes it easy for me to understand that uranium in water
2 -- uranium you have to be concerned about is airborne and as
3 long as it is in a liquid state, it's not as significant a
4 problem as it is in the atmosphere.

5 Q I'll grant you, sir, that it's not as significant a
6 problem, but it is of concern to the Sequoyah Fuels Facility
7 as far as personnel being in it.

8 A That's correct.

9 Q I don't want to diminish that you have some level
10 that you draw safety to the personnel at -- you don't have
11 that.

12 A No.

13 Q And in light of that, I guess your answer to my
14 question of did you yourself take any steps to notify Health
15 and Safety, the answer is no, you did not.

16 A No, I did not specifically.

17 Q Okay. In light of that conversation, as of recent,
18 within the last week I think or so, an additional laboratory
19 result has become available to my knowledge, one taken by Mr.
20 Gary Barrett, taken on the seventh of August. Are you
21 familiar with the existence of that lab report?

22 A I've heard of it, yes.

23 Q Have you had an opportunity to see it?

24 A I may have.

25 Q Well I have a copy of it, Mr. Knoke provided me

1 front and back, and we've had Mr. Knoke in and authenticated
2 that these numbers are absolute -- your own people have done
3 it, so believe me, these are valid numbers.

4 I ask you if you'd seen this document before the
5 22nd of August, before the notification of the NRC.

6 A I could have. I don't recall if I've seen it
7 before that time or not.

8 Q Do you recall having a conversation with Mr. Gary
9 Barrett about this document during the week the NRC
10 inspectors were here?

11 A I don't know the time frame, but I remember the
12 concern for an organic that was floating on some water
13 somewhere.

14 Q Of information to you so that you'll know, sir, Mr.
15 Barrett has indicated to me that he received this lab result
16 and that he ensured that copies were sent to you, Ms. Couch
17 and some other people. And he has relayed to me that he is
18 fairly confident that you had this document because you
19 stopped him the next day, on the 8th, he believes, and showed
20 him this piece of paper and inquired as to what it was for
21 and what it meant. Do you recall showing it to Mr. Barrett
22 and having a conversation with him?

23 A I don't recall, but I could have. Now you've got
24 to realize I had a lot of activities going on at that
25 particular time.

Q I understand, sir. Two things are of interest to me. One, having this in your possession, would this piece of paper, in your opinion, have any value to you or tell you anything?

A Only a quantitative number.

Q Of what?

A Of the value of TBP, some hexane and basically they didn't do any nitrates, and some uranium and now -- I'm sorry, qualitative -- doesn't give me any quantitative number as to whether that was a thimble full, a barrel full or a tanker full.

Q Does it make a difference whether an individual is standing in a -- or has a thimble full on his exposed area, a tanker full, or anything, as far damage to a person, his skin? I guess what I'm asking, Mr. Mestepey, is you keep trying to say a thimble full, and I realize that most people can't stand on a thimble, but it's well known that we don't have a thimble full of water out there in that excavation, we've got it in barrels. So we know it's of a value that's large enough to be floating in there.

So knowing your knowledge of the fact that there was water down in that excavation and knowing it's small quantities and we don't know how much, but it is definitely going in barrels which are 55-gallon, what would this have meant to you as far as your knowledge of the excavation on

the seventh of October, following the meeting of the NRC particularly coming in and following, by our information, Mr. Westepey, your visit to the site with these gentlemen and having looked into the pit and knowing water was present.

A I don't recall seeing organic present. And that's basically what that is. If you take that one and you add them up, they're over 90 percent already on an organic basis.

Q Maybe I misspoke myself, but what I meant was having been at the pit on the seventh -- or the sixth, with Mr. Vasquez and Mr. Spitzberg, and knowing that water was in there and then subsequently receiving such a document and having personal observation -- would this have had any value to you, particularly these values and the uranium value?

A The uranium value, yes, and the hexane.

Q What value?

A And then I would want to get a quantity of this. In other words, there again, I go back to hey, is this a significant problem because what is the quantity of it, and as best I can recollect, involving with any of this organic, there was a very small amount of organic.

Q Okay. The organic I'll get to in a minute, but you brought up the issue that the uranium is of importance to you.

A That's correct.

Q What does that mean to you?

A That means that that's kind of a high value of uranium.

Q Well now that we've established you had some knowledge of a high value of uranium back the seventh, eighth, I again ask you, sir, did you take any steps to contact Health and Safety or anyone to express your concerns?

7 A I don't recall specifically on this one, because
8 there again, I go back to what I stated in terms of I recall
9 this being a small quantity, and by the way, that guy is part
0 of Health and Safety.

1 Q No question.

A So why did I have to be redundant and go back and remind them of what they already know?

Q Well I don't argue that you do, you shouldn't have to tell these people their procedures, Mr. Mestepey. What I want to know is your actions once you received this information that now means some relatively high volume of uranium. As Senior Vice President and your admission a few minutes ago that yes, I'm concerned about safety and have a direct responsibility.

A Sure.

Q Now that you have some quantitative value here that's of some -- not elevated, but of a high rate -- in that position, what action did you take to ensure that now everyone is following the procedures of Sequoyah Fuels and

the safety concerns that we all share?

A I don't recall any action I took on this.

Q Okay, sir. As a matter of information, I'll tell you what I've been told and you can confirm it or not. One of the things that struck me as kind of curious is TBP and hexane, what does that mean to me, and I ask kind of a question of does this have any significance to me and I was instructed by specifically Mr. Knoke, that TBP is only used in the solvent extraction building.

A That is correct.

Q And my next question to him was would this be some sort of an indication then that liquids down in that pit would probably have originated or come from the solvent extraction building, and he indicated he believed it would. Do you feel the same way?

A That's correct.

Q Now sir, in light of my belief and your belief that this would be a --

A It could come from a couple of different places in terms of TBP and hexane.

Q Other than the solvent extraction building?

A Let's clarify it by saying solvent extraction activities.

Q Okay. I'll grant you that and I'll even further put it in a smaller box for you so it'll help you, sir. Of

course the excavation is next to the solvent extraction building.

A That's correct.

Q And the solvent extraction building is the area where you do something to uranium, I don't know exactly what, but I've been told that high volumes and high counts of uranium flow in there in varying levels.

A That's correct.

Q And you could probably give me a much more quantitative value as to what this range of uranium that flows through there, but I would assume it's more than one gram.

13 A That is correct.

14 Q Or even eight grams I would assume.

15 A More than that too.

16 Q Yes, sir. And beings as we're now digging a hole
17 immediately adjacent to the solvent extraction building and
18 knowing that TBP is used in that process, I submit to you,
19 sir, would it not be some sort of a natural, logical thought
20 process that this is possibly fluids from the solvent
21 extraction building?

22 A Yes.

23 Q And I was going to say even knowing that the floor
24 leaked at some time in the past -- you know, that the floor
25 had cracks in it and it leaked and there was a possibility --

1 A I've found out since.

2 Q You didn't know that, sir, prior --

3 A I wasn't fully aware of all activities here prior
4 to '87.

5 Q Okay, sir. So I guess without belaboring the
6 point, Mr. Mestepey, I now felt that you had some sort of
7 information during this period of that that (a) tied it to
8 the solvent extraction building and now gave you some value
9 of the uranium. And I was a little concerned that Health and
10 Safety is relying on Operations to take lab results according
11 to Mr. Nichols and give them the information, and Operations
12 is relying on Health and Safety to pass on the information
13 and we now have some fellows down in the pit working,
14 contractors, that have not been on this site before and I
15 don't seem to have anyone expressing concerns for them. And
16 to make a question out of this, your answer to me earlier was
17 you didn't express these concerns to the Health and Safety
18 Department.

19 A That's correct.

20 Q Okay.

21 A As I recall.

22 MR. SHAPIRO: And as he pointed out, this test was
23 taken by someone in Health and Safety.

24 MR. CHAPMAN: No, question.

25 MR. SHAPIRO: No, no, I'm just adding that.

1 MR. CHAPMAN: We've been down that avenue, but now
2 I'm soliciting your personal knowledge of it.

3 MR. SHAPIRO: I understand.

4 MR. CHAPMAN: I lost my train of thought here.

5 (Brief pause.)

6 MR. CHAPMAN: I guess we'll have to go off the
7 record until I get my train of thought back, because there
8 was a question that popped in my mind and then -- oh, I
9 remember, I'm sorry.

10 BY MR. CHAPMAN:

11 Q The NRC has been here for some period of time, be
12 it the NRC inspectors, the OI investigators, division
13 director and visits to the NRC in Washington, D.C., all the
14 way up to the EDO, and of particular interest to me and
15 probably to the NRC is that until just recently, within my
16 two week time frame here, the NRC was never instructed or
17 notified of the presence of data being available vis-a-vis
18 the sandwells, that did have some quantitative values of
19 uranium in water. Granted, we know there's no connection
20 between depth and everything. And Mr. Mestepey, in light of
21 an August 30 memo that you now say you did see and did have
22 some conversation with Mr. Knoke, did it never occur to you
23 that in the course of all these conversations and
24 inspections, that this could have some bearing on providing
25 information to the NRC in its determination of the SX

1 excavation pit?

2 A I'm aware of it, but I'm not aware of the quantity
3 of data that had been developed over long periods of time.
4 And I would have to assume that other people would have
5 certain responsibilities to contact the NRC, review this for
6 that necessary contact.

7 Q All right, sir. And in light of understanding your
8 position, did you ever make any contact with the person that
9 is considered to be the on-site NRC representative, Lee
10 Lacey, regarding this information?

11 A I don't recall ever. It was obvious he had the
12 information, that's why --

13 Q Well of interest to you, Mr. Mestepey, I've
14 inquired of Mr. Lacey of all this data and he has no
15 information and I'm now required to come back and speak to
16 him, and you've provided what you have and I appreciate it.

17 MR. SHAPIRO: Well I guess just to clarify for a
18 minute, because there was a lot that we've talked about on
19 that August 30th --

20 MR. CHAPMAN: Yes, sir.

21 MR. SHAPIRO: I think what Mr. Mestepey was
22 referring to is sandwell data.

23 MR. CHAPMAN: Sure, I understood that.

24 MR. SHAPIRO: I mean it's not that other stuff that
25 we're collecting.

1 BY MR. CHAPMAN:

2 Q And I don't know if you would have information on
3 this or not, but as you know, after it was reported to the
4 NRC, there was a flurry of activity by the NRC out here,
5 primarily commonly referred to as an augmented inspection
6 team.

7 And the NRC's groundwater specialist named Gary
8 Knowinski was present and held several discussions regarding
9 the movement of this liquid in the table under the earth and
10 whatever it's called -- I'm like you, not an expert -- did
11 you have any conversation with Mr. Knowinski in reference to
12 this while he was here?

13 A Being I'm not a trained hydro-geologist, I don't
14 recall -- I know of some conversation with Knowinski and
15 Sequoyah Fuels, but personally, not that I recall, in terms
16 of where it would move.

17 MR. SHAPIRO: You weren't involved?

18 THE WITNESS: I don't recall it.

19 BY MR. CHAPMAN:

20 Q Well the reason I asked that, I don't know exactly
21 when all this came to light, where they asked that some bore
22 holes, I think they're called, or some test wells be punched
23 in the ground for the NRC to obtain some data. I believe I'm
24 correct, and I'm not absolutely certain, but I believe it did
25 occur somewhere in the vicinity of this SX building, did it

not, these test wells?

A There are some test wells that were installed in the SX area, yes.

Q Inside the restricted area here.

A That's correct.

Q And as Operations Manager, would you have knowledge of these tests being done?

A I would have knowledge of the wells being installed because that is an area that requires us to shut down and do what we call gas-free to be sure there's no fires or explosions.

Q And while they were doing this type testing, and armed with the knowledge of Mr. Knoke, did you feel like this information regarding the sandwells or the SX investigation per se, as it's titled here, would have been of interest to the NRC as they were asking that these wells be installed?

A I didn't know how much data was involved there, so I'd have no reason to.

Q Okay, sir, I'll rephrase the question for you. In light of these wells being established and knowing that Mr. Lacey had been furnished with some documentation, did you hold a discussion with Mr. Lacey or anyone at Sequoyah Fuels about advising NRC of these memos and this internal data?

A No, I did not.

Q Okay, and did anyone from Health and Safety, and I

1 don't want to go through everybody in the plant -- Carolyn
2 Couch or whoever is necessary -- Lee Lacey -- did any of
3 these people come to you and express a concern that there
4 should be this information made known to the NRC?

5 A Not that I recall, no.

6 MR. SHAPIRO: If I can just interject. Even
7 looking at it now, Mr. Mestepey, would you assume that it's
8 your responsibility in any way to communicate with the NRC
9 about the sandwells?

10 THE WITNESS: No.

11 MR. SHAPIRO: I guess, would you make the
12 assumption if the data was there that another person who had
13 jurisdiction in that area would have communicated with them?

14 THE WITNESS: That's what I would have to assume,
15 that somebody else that is talented, has the experience to
16 review this data to see if it needs to be brought to the
17 NRC's attention.

18 BY MR. CHAPMAN:

19 Q I'll follow up on Mr. Shapiro's question then. As
20 far as Sequoyah Fuels Facility is concerned, who do you
21 consider as the person responsible to communicate and
22 interface with the NRC on this facility?

23 A I think that's designated by Reau Graves to be Lee
24 Lacey.

25 MR. SHAPIRO: And just to add, with respect to the

1 activities that were going on, relatively intense activities
2 with the NRC inspectors, investigators here, if there were
3 other people involved in this -- were you one of the people
4 that was having most contact with the NRC? To the extent you
5 know.

6 THE WITNESS: I can't -- I don't really know if I
7 had the most contact with NRC -- very doubtful if I did.

8 MR. DRISKILL: Just one quick thing to summarize an
9 area that we discussed. I believe Larry said something about
10 Nichols saying, you know, he expected you and/or your
11 organization to notify him relative to concerns they may have
12 about the welfare of individuals working in the pit and their
13 safety, so on and so forth.

14 MR. CHAPMAN: For the record, I'm leaving the room
15 for just a moment.

16 (Mr. Chapman exits the room.)

17 MR. DRISKILL: Do you care to respond to that in
18 any way?

19 THE WITNESS: Can you put it in a question form?

20 MR. DRISKILL: Sure.

21 BY MR. DRISKILL:

22 Q Do you feel like with respect to the fact that
23 there was some contamination or contaminated water in the
24 area being excavated, that you had a responsibility to ensure
25 worker protection and all that sort of thing? Was that one

1 of your primary responsibilities?

2 A I have a responsibility in that regard for the
3 safety of the employees or contractors on site. But also, to
4 be advised by others that have expertise that I do not
5 possess, to provide that. Health and Safety was notified of
6 this excavation.

7 Q Did they have people present while the excavation
8 was going on?

9 A Yes, they did.

10 (Mr. Chapman returns to the room.)

11 Q Did you have any beliefs or assumptions relative to
12 what their duties were at that location?

13 A It's pretty well common knowledge of what their
14 responsibilities are within the facility. They're to oversee
15 health and safety and be sure we follow the rules and
16 regulations and guidelines. You've got to remember, I was
17 not out there at all times.

18 Q I realize that.

19 A Other responsibilities here. And one of the prime
20 concerns that I had with the excavation was that the NRC
21 asked us not to refill it until they got an opportunity to
22 review some things here. They came in and went in the pit
23 and viewed some things, and my prime concern at that time was
24 the drying out of the walls around that pit that could affect
25 the stability of that SX building.

Again, I'm not a hydro-geologist. But it's common knowledge in this part of the state this area is very susceptible to drying, cracking and shifting of ground that even affects the foundation of homes which are very light material, even considering this is a heavy structure out there.

MR. DRISKILL: Yeah, I think we discussed that area. Okay, I don't have any other questions, I think we've covered everything that I had.

MR. CHAPMAN: Mr. Shapiro, anything you care to add?

MR. SHAPIRO: No.

MR. CHAPMAN: Mr. Mestepey, you'll get an opportunity if you care to add something, as I go through these questions.

Mr. Mestepey, have I or any other NRC representative here threatened you in any manner or offered you any reward in return for this statement?

THE WITNESS: No, you have not.

MR. CHAPMAN: Have you given this statement freely and voluntarily?

THE WITNESS: Yes.

MR. CHAPMAN: Sir, is there anything further you care to add to the record at this time?

THE WITNESS: Absolutely nothing.

1 MR. CHAPMAN: The time is now 3:32 p.m., and the
2 interview is closed. Thank you, Mr. Mestepey.

3 THE WITNESS: Okay.

4 (Whereupon, the interview was closed at 3:32
5 p.m.)

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

C E R T I F I C A T E

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

Name: Interview of James H. Mestepey

Docket Number:

Place: Sequoyah Fuels Corporation, Gore, Oklahoma

Date: March 7, 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