

PRELIMINARY NOTIFICATION OF EVENT OR UNUSUAL OCCURRENCE -- PNO-IV-90-28

This preliminary notification constitutes EARLY notice of events of POSSIBLE safety or public interest significance. The information is as initially received without verification or evaluation, and is basically all that is known by the Region IV staff on this date.

FACILITY: Sequoyah Fuels Corporation
 Gore, Oklahoma
 Docket: 40-08027
 License: SUB-1010

Licensee Emergency Classification:
 _____ Notification of Unusual Event
 _____ Alert
 _____ Site Area Emergency
 _____ General Emergency
 X Not Applicable

SUBJECT: SEQUOYAH FUELS CONTAMINATED WATER SEEPAGE

On August 22, 1990, Sequoyah Fuels Corporation notified Region IV that uranium contaminated water had been discovered seeping into an excavation near the solvent extraction building. The soil had been excavated around two hexane tanks in preparation for enclosing the tanks in a concrete vault. The licensee believes the uranium might have leaked through the solvent extraction building floor several years ago, before the floor was repaired by Kerr-McGee. The concentration of uranium in the seepage ranged up to 8 grams per liter, about 35,000 times the licensee's 225 microgram per liter environmental action level for uranium in water. A Region IV inspector will be on site today and an URFO inspector is standing by to assist as needed.

The state of Oklahoma is aware of the event.

Region IV is prepared to respond to media inquiries, but thus far has received none.

This information has been confirmed with a licensee representative.

CONTACT: W. L. Fisher, 728-8215.

DISTRIBUTION:

OWFN			NMBB	NL	MAIL: DCS (Orig. IE34)
Chmn. Carr	CA	NMSS	AEOD	RES	DOT (Transp. Only)
Comm. Rogers	OGC	NRR	IRM		
Comm. Curtiss	GPA	SLITP	OIG	FAX: (5520: 8/23/90 @ 11:30	
Comm. Remick	PA	OE		INPO	Regions & HQ)
ACRS	EDO			PDR	
			L-St	NSAC	
			PDR	RRI	
			EW-W	NRC OPS Ctr	
			ASLAP	Licensee (Reactor)	

RIV:D:DRSS
 ABBeach:cd
 8/27/90

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 RA
 RDMartsh
 8/23/90

D/DRP (2)
 SC/DRP (5)
 D/DRS (1)
 D/DRSS (3)
 SC/DRSS (4)
 URFO (1)

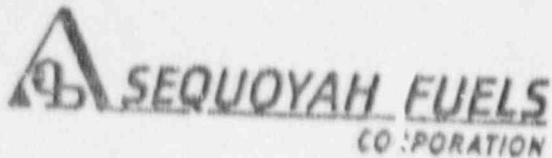
RIV File (1)

RA (1)
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PRESS RELEASE
8/23/90

On the afternoon of August 22, Sequoyah Fuels Corporation (SFC) notified the Nuclear Regulatory Commission's (NRC's) Regional Office in Arlington, Texas, that water seepage in an excavation at its Sequoyah Facility near Gore, Oklahoma, substantially exceeded its environmental action level for uranium in water. The condition was discovered during excavation of two underground storage tanks, while the facility was in the midst of its annual shutdown for maintenance. Some of the water samples ranged from 1 to 8 grams of uranium per liter. An NRC inspector was dispatched from the Arlington office to review the situation, and is presently on site.

SFC has every reason to believe that the situation is a result of operations in past years, and that current operations are not contributing to it. The underground storage tanks themselves were found to be in excellent condition, with no signs of leakage detected. The uranium is believed to have come from past operations in a building adjacent to the excavation. In years past, uranium-bearing solvent apparently damaged the floor in this building, and seeped into the ground below. The floor was repaired several years ago with a resistant material, and present operations minimize the potential for solvent contacting the floor.

SFC owns the Sequoyah Facility, which includes a uranium conversion plant and a uranium hexafluoride reduction plant. SFC was purchased by its present parent corporation, General Atomics of San Diego, California, in November, 1988. Facility upgrade and cleanup activities have been ongoing at SFC for the past year and a half.

SFC is presently planning actions to define the degree and extent of uranium contamination involved. Indications are that the contamination is highly localized and well within the confines of the facility's restricted area and poses no threat to the public.

For further information, please contact Ron Adkisson, Vice President, Sequoyah Fuels Corporation at 918/489-3201.

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Sequoyah Fuels under investigation

By ELIZABETH TODD

Phoenix Staff Writer

GORE — A special inspection team from the Nuclear Regulatory Commission will travel to Sequoyah Fuels Corp. here Monday to investigate land containing 35,000 times the uranium allowed by federal standards.

U.S. Rep. Mike Synar, chairman of the committee that oversees the NRC, sent a letter to NRC Chairman Kenneth Carr Friday asking for a detailed investigation of the incident at the uranium conversion plant.

Sequoyah Fuels workers found the high levels of uranium while digging up underground storage tanks and making space to install concrete storage tanks required by the Environmental Protection

Agency. Workers found liquid seeping into the ground where they were digging. The allowable uranium level is 225 micrograms or millionths of a gram per liter. Sequoyah Fuels found 1 to 8 grams per liter at the plant.

The three-person NRC team will explore groundwater contamination and assess how Sequoyah Fuels is handling the problem, said NRC spokesman Frank Ingram. The group will determine whether the company delayed notifying the NRC about the uranium levels.

Sequoyah Fuels has delayed reporting a radioactive release before, Synar said. He wants the NRC to determine whether the plant's environmental monitoring system is adequate to detect radioactivity in surrounding residential areas.

At least 30,000 pounds of uranium tetrafluoride powder spilled at the plant in January after a valve failed and a small amount of the powder was released into the air through a ventilator.

The company suspended operations but did not notify the NRC until the following day, which angered Synar.

Sequoyah Fuels Vice President Ron Adkisson said he was not sure when the high uranium levels were found — probably late last week or early this week. He found out Tuesday. The NRC was called Wednesday.

"It's not a requirement to call the NRC," Adkisson said. "We made no violations. We just called because we thought they should know . . . I don't know how they

could have helped."

Adkisson said company workers are pumping water out as it seeps through the rocks and depositing it in metal drums. They will test the liquid to determine how to treat it. The liquid either will be put in waste treatment ponds or will be reprocessed through the plant.

He said the high uranium levels won't pose a danger to the public.

Plant officials believe the uranium leaked years ago from a solvent extraction building, where pure uranium is dissolved using an acid solvent. The material apparently ate through the floor and seeped into the ground below.

The Sequoyah County Health Department will test well water for uranium free of charge for any

resident who lives within a two-mile radius of the plant, said administrator Morris Jones.

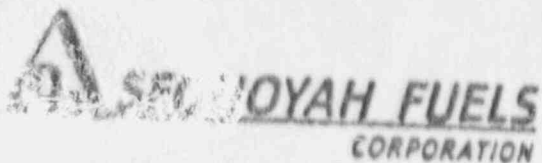
He said his office received no requests for tests Friday. But few people use wells in the area, residents said.

The state Health Department also is considering sending an investigator to the site.

In 1986, an industrial accident at the plant killed one man who inhaled toxic fumes after an over-filled cylinder of uranium hexafluoride spilled. More than 100 others were injured. The plant was closed nearly a year.

Sequoyah Fuels is owned by General Atomics of San Diego, which bought the plant from Kerr-McGee Corp. in 1988.

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PRESS RELEASE

8/30/90

A Nuclear Regulatory Commission inspection team completed an investigation at the Sequoyah Facility at 2:00 P.M., Wednesday, August 29. During their exit meeting, the NRC expressed confidence that the previously reported contamination is localized and poses no threat to Sequoyah Fuels employees or members of the public. No evidence of groundwater contamination from this event was found by the NRC inspection team. Sequoyah Fuels has committed to the NRC to fully characterize the affected area, and to verify that current operations do not contribute to the problem, prior to restart of its solvent extraction process.

On August 23, Sequoyah Fuels released information disclosing that water seepage contaminated with natural uranium was discovered at its Sequoyah Facility near Gore, Oklahoma.

For further information, please contact Ron Adkisson, Vice President, Sequoyah Fuels Corporation at 918/489-3201.

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