



energy fuels nuclear, inc.

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June 3, 1994

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C 20555

To whom it may concern:

Energy Fuels Nuclear, Inc.
SUA-1358 - Docket No. 40-8681
White Mesa Mill, Blanding, Utah
Response to Notice of Violation

Attached is Energy Fuels Nuclear, Inc. response to the Notice of Violation, issued to Umetco Minerals Corporation, dated May 12, 1994. The Notice of Violation is a result of the NRC inspection conducted on April 11-13, 1994.

If we can answer any questions that you may have, please feel free to contact me or Mr. Scott Schierman of my staff.

Sincerely,

D. K. Sparling
Manager of Uranium
Processing

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VIOLATION A:

License Condition No. 11 of Source Material License SUA-1358 states, in part, for use in accordance with statements, representations, and conditions contained in Sections 3.6.6, 5.1, 5.4, 6.2, and 6.3, and Appendix E, Section 5, of the license renewal application dated January 1985. Section 5.4, subsection 5.4.3.1 of the renewal application, states that all employees are also required to monitor themselves with an alpha meter prior to leaving the mill.

Contrary to this requirement, on April 11, 1994, the inspectors observed several workers exiting the facility who failed to frisk or to frisk properly with the alpha meter.

Response to Item A:

1. Reason for Violation.

With established ALARA practices in the mill to minimize contamination very few personnel alarm the meter when scanning, which in turn had developed into complacency on the part of the all personnel scanning.

2. Corrective Steps Taken:

A safety meeting was held on 4-18-94 with personnel which stressed the importance of the scanning procedure and the apparent violation received during the recent NRC inspection. Additionally, all personnel are scheduled to receive further training on an individual basis on the proper use and importance of scanning. This training will be documented and conducted by a qualified member of the Radiation Staff with sign off by each employee as to their understanding of the proper use of the scanner and scanning requirements.

3. Steps to Avoid Future Violations:

The scanning of personnel will be periodically monitored and documented by a member of Management or the Radiation Staff as to the adequacy of the workers scanning. Any deviations from the scanning procedures will be corrected immediately. Repeated violations to the scanning procedures will result in the use of the disciplinary action process, and could result in termination of employment.



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4. Date of Full Compliance:

Full compliance with the scanning requirements was completed on 4-12-94. Training of personnel and documentation will be completed by 6-30-94.

VIOLATION B:

License Condition No. 14 of Source Material License SUA-1358 states, that release of equipment or packages from the restricted area shall be in accordance with the attachment to SUA-1358 entitled "Guidelines for Decontamination of Facilities and Equipment Prior to Release for Unrestricted Use or Termination of Licenses for By-product or Source Materials," dated September, 1984. The guidelines state that all items leaving the restricted area must be surveyed for alpha contamination prior to release.

Contrary to this requirement, on April 11, 1994, the inspectors observed that the licensee did not perform the required surveys prior to release of several vehicles exiting the restricted area.

Response to Item B:

1. Reason for Violation:

Failure to perform the required radiological surveys on company vehicles and ore delivery vehicles prior to exiting the restricted area.

2. Corrective Steps Taken:

All vehicles prior to release from the restricted area are being surveyed and decontaminated as necessary.

3. Steps to Avoid Future Violations:

No vehicles entering into the restricted area will be released until the appropriate radiological survey has been completed.

4. Date of Full Compliance:

Full compliance with license condition 14 was completed on 6/1/94.



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VIOLATION C:

License Condition No. 29 of Source Material License SUA-1358 states, in part, that standard operating procedures (SOPs) shall be established for all operational process activities involving radioactive materials that are handled, processed, or stored. Procedure 2.7 entitled, Product Shipment Surveys, requires that adequate fixed alpha and beta/gamma surveys be conducted on all product barrels.

Contrary to this requirement, the inspectors noted that the license failed to conduct the required surveys on all barrels of yellowcake product shipped in 1994. As a specific example, on February 22, 1994, the licensee failed to perform proper beta/gamma surveys as required by procedure 2.7 on each barrel of yellowcake shipped.

Response to Item C:

1. Reason for Violation:

Procedure 2.7 does not make a distinction between vanadium and yellowcake shipments and states all barrels will be alpha and gamma surveyed. All yellowcake shipments are sent exclusive use. Beta/gamma surveys of each barrel are not necessary as once the trailer is loaded the entire lot is considered one package and surveyed as such. This is not consistent with Procedure 2.7.

2. Corrective Steps Taken:

Procedure 2.7 will be modified to distinguish the release requirements for release of vanadium for unrestricted use and yellowcake shipments sent by exclusive use.

3. Steps to Avoid Future Violations:

Review of procedures will be completed and any areas where a discrepancy exists with practice will be corrected if any are found.



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4. Date of Full Compliance:

Full compliance with license condition 29 will be completed on 6-11-94.

VIOLATION D:

License Condition No. 24 of Source Material License SUA-1358 requires that the licensee shall utilize lower limits of detection (LLDs) in accordance with Section 5 of Regulatory Guide 4.14, Revision 1, dated April 1980, for analysis of effluent and environmental samples. Regulatory Guide 4.14, Revision 1, Section 5 gives LLDs for Ra-226, Th-230, U-nat, and Pb-210. When actual concentrations exceed the stated LLDs, Section 5 states that the licensee need not meet these LLDs if the standard deviation estimated for the random error of the analysis is no greater than 10 percent of the measured value.

Contrary to this requirement, out of a total of 181 environmental sample analyses reviewed dating back to January 1993, the licensee's contractor laboratory did not meet the applicable LLD or standard deviation criteria given in Regulatory Guide 4.14 for 48 out of 48 ground-water samples, 34 out of 68 particulate air samples, 15 out of 30 soil samples, 16 out of 17 surface water samples, and 12 out of 18 vegetation samples.

Response to Item D:

1. Reason for Violation:

In reviewing the purchase order established with the contract lab, no language on LLD requirements was included. Sample volumes were established in the environmental procedures to assure enough sample was collected to meet the LLD requirements of Regulatory Guide 4.14. In discussions with the contract laboratory, they were unaware of the need to have our samples meet the LLD requirements of Regulatory Guide 4.14.



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2. Corrective Steps Taken:

The purchase order with the contractor laboratory will be modified with language which would require the LLD values in Regulatory Guide 4.14 to be met.

3. Steps to Avoid Future Violations:

Additional staffing has been added to help with the review of reported analytical results. A portion of the Annual ALARA audit will include a review of LLDs to assure the limits specified in Regulatory Guide 4.14 have been met.

4. Date of Full Compliance:

Full compliance with License Condition 24 was completed on 6/1/93.