

EXHIBIT A

PART 70 INSPECTION

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(Criticality) Region III, Division of Compliance

October 1, 1965

TITLE: PART 70 INSPECTION - KERR MCGEE OIL INDUSTRIES, INC., OKLAHOMA
CITY, OKLAHOMA - LICENSE NO. SNM-695 (DOCKET NO. 70-712)
INSPECTION DATE: SEPTEMBER 8, 1965

INTRODUCTION

1. An announced inspection was made of the subject licensee's facilities at Cushing, Oklahoma, by P. Sandel of Region IV and H. W. Crocker of Region III on September 8, 1965. The purpose of the visit was to determine the adequacy of the licensee's radiological and nuclear safety programs and practices. This report pertains to the nuclear safety aspects of the inspection. Mr. Sandel's report will cover the licensee's radiological safety program.
2. No items of noncompliance were observed during the nuclear safety phase of the inspection.
3. The SNM operations are currently directed at the final purification and recovery of U-235 from the remaining metal reduction slag materials at Cushing. The licensee expects to complete the scrap recovery program at Cushing by the end of September, 1965.

DETAILS

Scope

4. The nuclear safety program and practices were discussed with Mr. E. J. Buntz, Plant Manager, and Mr. G. E. Wuller, Nuclear Safety Engineer. Mr. Buntz stated that he will remain at Cushing as Plant Manager and will be in charge of the thorium production operations after the enriched uranium operations are transferred to the new Cimarron facility.
5. The SNM scrap reprocessing area of the plant, UF₆ conversion area, and storage areas were inspected. The SNM inventory and transfer records were reviewed.

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Organization

6. As equipment items are transferred from Cushing to the new Cimarron Facility, the personnel associated with the equipment are also reassigned to the new plant. As a result, the SNM operational force at Cushing has been reduced to less than 15 persons for operation of the scrap recovery and SNM cleanup activities. Mr. Buntz stated that the manpower requirements at Cushing could be increased if a contract for enriched uranium compounds is received before license authorization for SNM processing at Cimarron is granted by the AEC.

Process

7. Current enriched uranium processing at Cushing is limited to the recovery of U-235 from scrap residues associated with past uranium carbide fusion operations. The recovery work is being conducted in tanks of 5 inches or less in diameter. The solvent extraction columns are 4 inches in diameter. The recovery operations are conducted according to approved license conditions which were submitted to DML by the licensee on February 12, 1965.

8. The high enriched UF_6 conversion equipment still remaining at Cushing is currently being used for uranium development studies using depleted uranium. This equipment will remain at Cushing for standby use in case an enriched uranium compound order is received before license authorization is granted for the operations at Cimarron. New hoods are being fabricated for this type of work at Cimarron, so this equipment is not expected to be moved to the new facility.

9. The SNM storage area was toured and the materials were noted to be stored according to license conditions. The plant SNM inventory has decreased remarkably since the last visit and only a portion of the storage area is currently in use. Some of the storage shelves have been removed and installed at the Cimarron Facility.

Inventory

10. As of the date of inspection the licensee's SNM inventory was 24 kg U-235. Of this about 17 kg U-235 was purified material ready for shipment. A review of the company records showed that the Form AEC-578 material status report for SNM operations during the period January 1, 1965 to June 30, 1965, was sent to the Commission on July 26, 1965.

Nuclear Safety Control

11. Dr. Leaders and Mr. Wuller performed nuclear safety audits at Cushing during the last week of July, 1965, and the first week of August, 1965. They did not observe any deficiencies in the nuclear safety program and practices.

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Nuclear Safety Control (Cont'd)

The men stated that written records of these inspections are not routinely maintained. Cases where nuclear safety deficiencies are observed are covered by a written report. This report is directed to Mr. Lambertus and also to Mr. Buntz for corrective action. No deficiencies were noted by Mr. Buntz in his routine plant audits (these vary from daily to twice per week frequency) conducted since the last inspection. Buntz's audits normally cover chemical and general safety as well as nuclear safety.

12. Mr. Buntz stated that the last practice evacuation held at the plant was conducted in April, 1965.

13. Mr. Buntz also stated that the nuclear safety reorientation courses have not been continued because of the transfer of personnel to Cimarron. He said that reorientations will probably be given to personnel at the Cimarron Facility but did not have any details on that program.

SUMMARY DISCUSSION

14. A summary discussion was held with Messrs. Buntz, Leaders, and Wuller at Cushing on September 8, 1965. Primary discussion was directed at the future of SNM operations at Cushing. Mr. Buntz stated that the current SNM recovery operations will be completed by the end of September, 1965, and that the remaining equipment at Cushing will be removed when an SNM license is obtained for the Cimarron Facility. Licensee management stated that they do not intend to terminate License SNM-695, but will probably allow it to expire in 1966.

15. The licensee management was informed that no items of noncompliance were observed during the nuclear safety phase of the inspection. It was also pointed out to them that it was difficult to assess the effectiveness of their normal nuclear safety practices because of the limited scope of present SNM activities.