



U.S. NUCLEAR REGULATORY COMMISSION  
*Nu Docs*

RESPONSE TO FREEDOM OF  
INFORMATION ACT (FOIA) REQUEST

NRC FOIA REQUEST NUMBER(S)

FOIA - 89-273

RESPONSE TYPE

☒ FINAL  
DATE

☐ PARTIAL

JUL 25 1989

DOCKET NUMBER(S) (if applicable)

REQUESTOR

*Ms. Jessie Davis Water-*

PART I. - AGENCY RECORDS RELEASED OR NOT LOCATED (See checked boxes)

☐ No agency records subject to the request have been located.

☐ No additional agency records subject to the request have been located.

☐ Requested records are available through another public distribution program. See Comments Section.

☒ Agency records subject to the request that are identified on Appendix(es) *A* are already available for public inspection and copying in the NRC Public Document Room, 2021 L Street, N.W., Washington, DC 20555.

☐ Agency records subject to the request that are identified on Appendix(es) \_\_\_\_\_ are being made available for public inspection and copying in the NRC Public Document Room, 2021 L Street, N.W., Washington, DC, in a folder under this FOIA number and requester name.

☐ The nonproprietary version of the proposal(s) that you agreed to accept in a telephone conversation with a member of my staff is now being made available for public inspection and copying at the NRC Public Document Room 2021 L Street, N.W., Washington, DC, in a folder under this FOIA number and requester name.

☐ Agency records subject to the request that are identified on Appendix(es) \_\_\_\_\_ may be inspected and copied at the NRC Local Public Document Room identified in the Comments Section.

☐ Enclosed is information on how you may obtain access to and the charges for copying records placed in the NRC Public Document Room, 2021 L Street, N.W., Washington, DC.

☒ Agency records subject to the request are enclosed *Appendix B*

☐ Records subject to the request have been referred to another Federal agency(ies) for review and direct response to you.

☐ You will be billed by the NRC for fees totaling \$ \_\_\_\_\_.

☐ In view of NRC's response to this request, no further action is being taken on appeal letter dated \_\_\_\_\_, No \_\_\_\_\_.

PART II. A - INFORMATION WITHHELD FROM PUBLIC DISCLOSURE

☒ Certain information in the requested records is being withheld from public disclosure pursuant to the exemptions described in and for the reasons stated in Part II sections B, C, and D. Any released portions of the documents for which only part of the record is being withheld are being made available for public inspection and copying in the NRC Public Document Room, 2021 L Street, N.W., Washington, DC, in a folder under this FOIA number and requester name.

COMMENTS

8907280365 890725  
PDR FOIA  
DEERINW89-273 PDR

SIGNATURE, DIRECTOR, DIVISION OF FREEDOM OF INFORMATION AND PUBLICATIONS SERVICES

*Donna A. Smith*

## FREEDOM OF INFORMATION ACT RESPONSE

FOIA NUMBER(S)

FOIA - 89-273

DATE

JUL 25 1989

## PART II B - APPLICABLE EXEMPTIONS

Records subject to the request that are described on the enclosed Appendix(es) C are being withheld in their entirety or in part under the Exemptions and for the reasons set forth below pursuant to 5 U.S.C. 552(b) and 10 CFR 9.17(a) of NRC Regulations.

1. The withheld information is properly classified pursuant to Executive Order (EXEMPTION 1)

2. The withheld information relates solely to the internal personnel rules and procedures of NRC (EXEMPTION 2)

3. The withheld information is specifically exempted from public disclosure by statute indicated: (EXEMPTION 3)

Sections 141-145 of the Atomic Energy Act which prohibits the disclosure of Restricted Data or Formerly Restricted Data (42 U.S.C. 2161-2165)

Section 147 of the Atomic Energy Act which prohibits the disclosure of Unclassified Safeguards Information (42 U.S.C. 2167)

X 4. The withheld information is a trade secret or commercial or financial information that is being withheld for the reason(s) indicated: (EXEMPTION 4)

X The information is considered to be confidential business (proprietary) information.

The information is considered to be proprietary information pursuant to 10 CFR 2.790(d)(1).

The information was submitted and received in confidence pursuant to 10 CFR 2.790(d)(2).

5. The withheld information consists of interagency or intraagency records that are not available through discovery during litigation: (EXEMPTION 5). Applicable Privilege:

Deliberative Process: Disclosure of predecisional information would tend to inhibit the open and frank exchange of ideas essential to the deliberative process. Where records are withheld in their entirety, the facts are inextricably intertwined with the predecisional information. There also are no reasonably segregable factual portions because the release of the facts would permit an indirect inquiry into the predecisional process of the agency.

Attorney work product privilege: (Documents prepared by an attorney in contemplation of litigation.)

Attorney-client privilege: (Confidential communications between an attorney and his/her client.)

6. The withheld information is exempted from public disclosure because its disclosure would result in a clearly unwarranted invasion of personal privacy: (EXEMPTION 6)

7. The withheld information consists of records compiled for law enforcement purposes and is being withheld for the reason(s) indicated: (EXEMPTION 7)

Disclosure could reasonably be expected to interfere with an enforcement proceeding because it could reveal the scope, direction, and focus of enforcement efforts, and thus could possibly allow them to take action to shield potential wrongdoing or a violation of NRC requirements from investigators (EXEMPTION 7 (A))

Disclosure would constitute an unwarranted invasion of personal privacy (EXEMPTION 7(C))

The information consists of names of individuals and other information the disclosure of which could reasonably be expected to reveal identities of confidential sources (EXEMPTION 7 (D))

OTHER

## PART II. C - DENYING OFFICIALS

Pursuant to 10 CFR 9.25(b) and/or 9.25 (c) of the U.S. Nuclear Regulatory Commission regulations, it has been determined that the information withheld is exempt from production or disclosure, and that its production or disclosure is contrary to the public interest. The persons responsible for the denial are those officials identified below as denying officials and the Director, Division of Freedom of Information and Publications Services, Office of Administration and Resources Management, for any denials that may be appealed to the Executive Director for Operations (EDO).

DENYING OFFICIAL	TITLE/OFFICE	RECORDS DENIED	APPELLATE OFFICIAL	
			SECRETARY	EDO
Barnes, Robert	Director, NMSS	C/1 + C/2		X

## PART II. D - APPEAL RIGHTS

The denial by each denying official identified in Part II.C may be appealed to the Appellate Official identified in that section. Any such appeal must be in writing and must be made within 30 days of receipt of this response. Appeals must be addressed as appropriate to the Executive Director for Operations or to the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and should clearly state on the envelope and in the letter that it is an "Appeal from an Initial FOIA Decision."



APPENDIX ARECORDS MAINTAINED IN THE PDR UNDER THE ABOVE REQUEST NUMBER

<u>NUMBER</u>	<u>DATE</u>	<u>DESCRIPTION</u>
1.	7/19/88	Memo to L. C. Roase from R. B. Provercher re: Notification of 8/2/88 meeting (1 page) (AWO 88080300)
2.	7/28/88	Summary of 7/19/88 meeting re: Application for Purchase of Squoyah Fuels Corp. by General Atomic (2 pages) (AWO 8808050245)
3.	8/15/88	Ltr. to L. C. Roase from J. D. Randolph re: General Support for Application (1 page) (AWO 8809280194)
4.	9/16/88	Ltr. to W. S. Pennington from L. B. Pappas re: Revised Application (94 pages) (AWO 8809280188)
5.	9/19/88	Memo to L. C. Roase from R. S. Wood re: Financial Evaluation of Proposed Transfer of Ownership (6 pages) (AWO 8809270140)
6.	10/7/88	Summary of August 2, 1988 Meeting re: Proposed SA Purchase of Wm - M. Co. 2 F6 Facilities and Adjacent Lands near

APPENDIX ARECORDS MAINTAINED IN THE PDR UNDER THE ABOVE REQUEST NUMBER

<u>NUMBER</u>	<u>DATE</u>	<u>DESCRIPTION</u>
		Note, OK (1 page) (ANO 8810140143)
7.	10/18/88	Ltr to L.C. Rouse from R. Graves re: Application for Amendment to Federal SUB-1010 (81 pages) (ANO 8811216248)
8.	10/27/88	Ltr to R. Graves from L.C. Rouse re: Consents to Sequoyah Holding Corp. Acquiring Control of Sequoyah Fuels Corp. from Ken. M. Bell Corp. with conditions (6 pages) (ANO 8811040255)
9.	10/28/88	Ltr to J.C. Starter from L.C. Rouse re: Amendment 22 to Federal SUB-1010 (15 pages) (ANO 8811040293)
10.	4/27/89	Ltr to B. Knight from R.E. Cunningham re: Justification for Financial Statements being withheld from Public Disclosure (2 pages) (ANO 8905080231)

APPENDIX ARECORDS MAINTAINED IN THE PDR UNDER THE ABOVE REQUEST NUMBER

<u>NUMBER</u>	<u>DATE</u>	<u>DESCRIPTION</u>
11.	5/31/89	Memo to R.E. Cunningham from L.C. Roase re: Discusses R. Wood's Evaluation (1 page) (AWO 8906060059)
12.	6/8/89	Let to S. P. Knight from L.C. Roase re: Advises that Ticorsell's 3/28/89 financial statements satisfy commitment (1 page) (AWO 8906210002)



APPENDIX BRECORDS ENCLOSED

<u>NUMBER</u>	<u>DATE</u>	<u>DESCRIPTION</u>
1.	8/25/88	Facsimile Message to R. Wood from C. Meyer re: Pro Forma Balance Sheet and Income Statement (3 pages)
2.	8/29/88	Handwritten notes of conversations with R. Graves and C. Meyer (2 pages)
3.	9/21/88	Note to W. D. Pennington from V. L. Thayer re: Draft Submittal from Squagatz Holding Corp. (68 pages) (AWO 8809290362)
4.	10/7/88	Ltr to A. Meyer from L. C. Rouse re: Request for Additional Information concerning Application (4 pages) (AWO 886170003)
5.	10/18/88	Ltr to L. C. Rouse from R. Graves Jr. re: Transfer of Control of License (6 pages) (AWO 8811210241)

APPENDIX BRECORDS ENCLOSED

<u>NUMBER</u>	<u>DATE</u>	<u>DESCRIPTION</u>
6.	1/13/89	Ltr to L. C. Rouse from S. P. Knight re: Confirms 11/4/88 notification of Transfer (2 pages) (AND 8901240103)
7.	3/28/89	Ltr to L. C. Rouse from S. P. Knight re: Transmittal of Financial Statements and Affidavit for Withholding Information (2 pages) (AND 8904180084)
8.	3/30/89	Ltr to S. P. Knight from L. C. Rouse re: Amendment 23 (14 pages) (AND 8904140213, 8904140215, 8904140217 & 8904140222)

APPENDIX CRECORDS TOTALLY WITHHELD

<u>NUMBER</u>	<u>DATE</u>	<u>DESCRIPTION &amp; EXEMPTION</u>
1.	12/31/88	Saguoyah Fuels Corp. Report and Financial Statements (18 pages) EX. 4
2.	5/17/89	Memo for h. C. Rouse from R. S. Wood re: Analysis of Saguoyah Fuels Corporation's Ability to Finance the Recommissioning of its Nore Facility (4 pages) EX. 4



SEP 21 1988



NOTE TO W. S. Pennington, IMUF

DRAFT SUBMITTAL FROM SEQUOYAH HOLDING CORPORATION

As discussed in the July 7, 1988, meeting between NRC and Withrop, Stimson, Putnam and Roberts Law Firm (see enclosed meeting minutes dated July 28, 1988), SHC has submitted for NRC review the enclosed draft document dated 8/1/88. Via this note, copies of the 8/1/88 document are being docketed and made available to the Public and Local Public Document Rooms.

Original Signed By:

Virginia L. Tharpe, IMUF

Enclosures:

1. Meeting Minutes dtd 07/07/88
2. SHC Draft dtd 8/1/88

Distribution w/encs:

Docket 40-8027	NRC File Center	PDR	LPDR	VLTharpe
	NMSs R/F w/o encls	IMUF R/F w/o encls		IMSB R/F w/o encls
GBidinger w/o encls	LCRouse w/o encls	Region IV		

OFC:IMUF:	IMUF:
NAME:VLTharpe:vt/mh:	GBidinger:
DATE:9/1/88	9/1/88

OFFICIAL RECORD COPY

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FDR ADDCK 04008027  
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65 pp

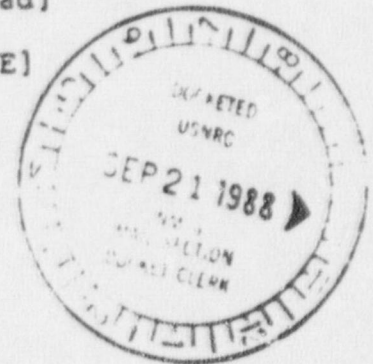
DF04  
B/3 1/1

Draft  
8/1/88

[Sequoyah Holding Corporation letterhead]

[DATE]

Mr. Leland C. Rouse, Chief  
U.S. Nuclear Regulatory Commission  
Uranium Fuel Licensing Branch  
Division of Fuel Cycle & Material Safety  
Office of Nuclear Material Safety & Safeguards  
Washington, D.C. 20555



Re: License SUB-1010; Docket 40-8027  
Transfer of Control of Licensee and Amendment to License

Dear Mr. Rouse:

Sequoyah Holding Corporation ("Holding"), a corporation organized under the laws of the State of Delaware, hereby seeks the consent of the Nuclear Regulatory Commission ("NRC"), pursuant to the Atomic Energy Act of 1954 and the regulations promulgated thereunder, to a transfer of control of Sequoyah Fuels Corporation ("Sequoyah"), a corporation organized under the laws of the State of Delaware. Sequoyah presently is a wholly-owned subsidiary of Kerr-McGee Corporation ("Kerr-McGee"), a corporation organized under the laws of the State of Delaware. Sequoyah is the present holder of NRC Source Material License Number SUB-1010 (the "License"). Holding has entered into an acquisition agreement with Kerr-McGee, pursuant to which, subject to the approval of the NRC, Holding will acquire all of the outstanding stock of Sequoyah.

Holding is a wholly-owned subsidiary of General Atomics ("GA"), a corporation organized under the laws of



the State of California, which is itself a wholly-owned subsidiary of General Atomic Technologies Corporation ("GATC"), a corporation organized under the laws of the State of Wyoming. The capital stock of GATC is owned 79.5% by Tenaya Corporation, a corporation organized under the laws of the State of Delaware, 20.001% by Linden S. Blue, a United States citizen and .499% by James N. Blue, a United States citizen. Tenaya is a holding company for investments of the family of James N. Blue. Mr. Blue owns 60.6% of the voting stock of Tenaya, his wife Anne P. Blue, a citizen of the Federal Republic of Germany, owns 18.2%, and 21.2% is held in trust for the benefit of their children. Holding is not owned, controlled or dominated by an alien, a foreign corporation or a foreign government. Further information concerning the management of Holding is provided in Appendix B.

Holding also requests an amendment to the License that will delete references to Sequoyah's current parent company, Kerr-McGee, and will reflect the new ownership of Sequoyah. The specific references that would be changed by the amendment are set forth in Appendix A hereto and revised pages are included. The current licensee, Sequoyah, and its parent, Kerr-McGee, consent to this request for an amendment, as reflected in the letters from \_\_\_\_\_ and \_\_\_\_\_, and attached hereto as Exhibit 1 and Exhibit 2.



Holding will acquire the Sequoyah facility situated near Gore, Oklahoma which owns and operates a uranium hexafluoride conversion facility and a depleted UF4 facility (the "Sequoyah Facility") and the ranches in the vicinity owned by Sequoyah. Holding will not acquire the Cimarron Facility and other properties which have been owned by Sequoyah and which have been or are being transferred to other Kerr-McGee entities.

The Sequoyah Facility will continue to be operated in the same manner as it has been operated; nothing will change in the manner in which Sequoyah, as the licensee, conducts its operations and discharges its obligations under the License. No major changes are anticipated in the on-site operating and management personnel or corporate officers of Sequoyah other than the following: the President of Sequoyah will no longer be an employee of Kerr-McGee. As set forth in Appendix A, the President of both Sequoyah and Holding will be Reau Graves, Jr. Mr. Graves is also a Senior Vice President and Director of GA. His office will be on-site rather than at GA's headquarters. Scott Knight, the current General Manager will be on-site, and his position will encompass the duties of the current Operations Manager and Sequoyah Facility General Manager. The Manager of Administration and Services will be C.A. Hamilton. The Manager of Health Physics and Industrial Hygiene will be N.M. Nichols. The revised pages for Section 11 provide descriptions of the education and experience of these individuals.

The only other changes anticipated are in the ownership of the stock of Sequoyah and the directors of Sequoyah as set forth in Appendix B. The oversight responsibilities and obligations of off-site personnel who are currently employees of Kerr-McGee will be assumed by employees of GA, as set forth in the attachment to Appendix A.

Sequoyah currently has numerous contracts with a number of utilities and other domestic and foreign corporations. These contracts will remain in place following the acquisition and will be the basis of Sequoyah's ability to finance its on-going operations and to comply with the safety and other requirements of the License.

In order to assist the NRC in assessing the financial capability of Sequoyah after the acquisition in relation to Sequoyah's obligation to clean up its licensed facilities upon decommissioning, attached as Appendix C are financial statements for Sequoyah as of September 30, 1987.

In summary, the acquisition will effect a change of ownership but will not affect the licensed activities of Sequoyah.

After the NRC has consented to the transfer of control of the licensee and to the amendment of the License, and when other conditions precedent are fulfilled, the transaction will be consummated. The closing date is currently set for August 31, 1988, or as soon thereafter as practicable following receipt of the NRC's consent and

fulfillment of the other conditions. Holding will immediately notify the NRC of the closing when it occurs.

SEQUOYAH HOLDING CORPORATION

By \_\_\_\_\_



STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_ 1988, before  
me, \_\_\_\_\_, a Notary Public for the State  
of \_\_\_\_\_, personally appeared \_\_\_\_\_  
who being duly sworn, stated that he is \_\_\_\_\_ of  
Sequoyah Holding Corporation, that he has read the foregoing  
letter to Leland C. Rouse and that the information and  
statements therein are true and correct to the best of his  
knowledge and belief.

\_\_\_\_\_  
Notary Public

## Appendix A

### Amendments to the License Necessary to Conform to New Ownership

License Condition 2 sets forth the address of Sequoyah Fuels Corporation, which should read Sequoyah Facility, I-40 and Highway 10, Gore, Oklahoma 74435.

License Condition 9 sets forth the authorized use under the License and refers to statements, representations and conditions contained in Chapters 1 through 8 of the license renewal application dated August 23, 1985. In that renewal application, there are references to the present parent company of Sequoyah Fuels Corporation, Kerr-McGee Corporation, and to certain of its employees. Those references should be changed in the following manner, in order to conform to the new ownership of Sequoyah Fuels Corporation. Revised pages are also attached.

#### Chapter 1

- 1.1 Sequoyah Fuels Corporation is a wholly-owned subsidiary of Sequoyah Holding Corporation, which is a wholly-owned subsidiary of General Atomics, which is a wholly-owned subsidiary of General Atomic Technologies Corporation. The principal office of Sequoyah Fuels Corporation is located at Sequoyah Facility, I-40 and Highway 10, Gore, Oklahoma 74435.

#### Chapter 2

Chapter 2 describes the General Organizational and Administrative Requirements of the License. The following chart sets forth changes that will be required to conform the License to the new ownership of Sequoyah Fuels Corporation:

Kerr-McGee Personnel  
Who Have License Identified  
Responsibilities

President

Vice-President and Director  
Environment and Health  
Management Division

Corporate Medical Director

Director, Nuclear Licensing &  
Regulation

Director, Safety Services

Director, Regulatory Compliance

Staff Health Physicist

Corporate Hydrologist

Sequoyah Fuels  
Operations General Manager

Corresponding General  
Atoms Personnel

Chairman and CEO

Vice President  
Human Resources

Manager, Health physics

Manager, Licensing, Safety  
and Nuclear Compliance

Manager, Industrial Safety

Manager, Licensing, Safety  
and Nuclear Compliance

Manager, Health Physics

NONE A Consultant will be  
retained.

Position to be merged with  
Sequoyah Facility General  
Manager and named Sequoyah  
Fuels General Manager



### Chapter 3

3.2.2

The ALARA Committee shall be comprised  
of \_\_\_\_\_ and \_\_\_\_\_.  
The \_\_\_\_\_ shall serve as the  
Chairman of the ALARA Committee.

Quarterly ALARA audits shall be performed  
by \_\_\_\_\_.

### Chapter 7

7.5

Delete last paragraph.

## Chapter 11

11.1

All references to General Manager, Sequoyah Facility and General Manager, Sequoyah Fuels Operations will be deleted and Sequoyah Fuels, General Manager will be inserted.

All references to the Corporate Staff Health Physicist will read the Corporate Manager, Health Physics. All references to Director, Nuclear Licensing and Regulation will read Manager, Licensing, Safety and Nuclear Compliance and the reference to Corporate Medical Director will read Corporate Manager, Health Physics.

11.2

Both references on page 11-4 to Kerr-McGee Corporation will read General Atomics.

11.4

Revised descriptions of the education and experience of key personnel will be submitted to reflect the new ownership of Sequoyah Fuels Corporation.

## Appendix B

Sequoyah Holding Corporation  
Sequoyah Facility  
I-40 and Highway 10  
Gore, Oklahoma 74435

- A. The business activities of Sequoyah Fuels Corporation ("Sequoyah") will be unchanged. They include the conversion of uranium concentrate to uranium hexafluoride and the conversion of depleted uranium hexafluoride to depleted uranium tetrafluoride, and the activities related thereto, including receipt, storage, shipping, laboratory services, and waste treatment and disposal.
- B. Sequoyah Holding Corporation is incorporated under the laws of the State of Delaware. It was formed for the purpose of acquiring Sequoyah. The names, addresses and citizenship of its directors and principal officers are as follows:

<u>Name</u>	<u>Citizenship</u>	<u>Title</u>	<u>Address</u>
Reau Graves, Jr.	USA	President Director	Sequoyah Holding Corp. I-40 and Highway 10 Gore, OK 74435
John E. Jones	USA	Vice-President Director	10955 John Jay Hopkins Dr. San Diego, CA 92121
James R. Edwards	USA	Secretary Director	10955 John Jay Hopkins Dr. San Diego, CA 92121
Max D. Kemp	USA	Treasurer	10955 John Jay Hopkins Dr. San Diego, CA 92121
Brenda B. Dawson	USA	Assistant Secretary	10955 John Jay Hopkins Dr. San Diego, CA 92121
Anthony G. Navarra	USA	Assistant Treasurer	10955 John Jay Hopkins Dr. San Diego, CA 92121



- C. After the completion of Sequoyah Holding Corporation's acquisition of the stock of Sequoyah Fuels Corporation, the Board of Directors and officers of Sequoyah Fuels Corporation will be:

<u>Name</u>	<u>Citizenship</u>	<u>Title</u>	<u>Address</u>
Reau Graves, Jr.	USA	President Treasurer Director	Sequoyah Holding Corp. I-40 and Highway 10 Gore, OK 74435
James R. Edwards	USA	Secretary Director	10955 John Jay Hopkins Dr. San Diego, CA 92121
Brenda B. Dawson	USA	Assistant Secretary	10955 John Jay Hopkins Dr. San Diego, CA 92121
John E. Jones	USA	Director	10955 John Jay Hopkins Dr. San Diego, CA 92121

SEQUOYAH FIELDS CORP  
10-K INCOME STATEMENT  
FOR THE PERIOD ENDED SEPTEMBER 30, 1987

PAGE

YEAR TO DATE			MONTH			
BETTER/(WORSE) THAN			BETTER/(WORSE) THAN			
ACTUAL	FORECAST	PRIOR YEAR	ACTUAL	FORECAST	PRIOR YEAR	
THOUSANDS OF DOLLARS			THOUSANDS OF DOLLARS			
17,353**	2,290	6,547	OPERATING REVENUES	4,526	1,097	2,722
			OPERATING EXPENSES			
(5,117)	5,119	12,595	COST OF PRODUCT MATERIALS	(1,774)	1,774	3,085
16,461	(8,138)	(3,806)	OPERATING EXPENSE	3,840	(2,512)	(172)
11,344	(3,019)	8,789	SUB-TOTAL	2,066	(738)	2,913
2,831	879	1,380	SELLING AND GENERAL EXPENSE	469	(40)	695
2,901	(876)	2,067	DEPR., DEPLETION AND AMORT	384	(149)	2,006
597	(81)	149	EXPLORATION & CANCELLED LSES	80	(58)	193
795	(126)	(247)	TAXES-OTHER THAN INCOME	80	1	(36)
19,468	(3,221)	12,438	TOTAL OPERATING EXPENSE	3,089	(992)	6,571
(1,115)	(931)	18,985	INCOME (LOSS) FROM OPERS.	1,437	105	9,293
			OTHER INCOME (EXPENSE)			
432	432	459	GAIN (LOSS) ON DISP PROPERTY	12	12	11
432	432	459	TOTAL OTHER INCOME (EXP)	12	12	11
(683)	(499)	19,444	NET INCOME (LOSS) BEFORE INTEREST AND INCOME TAX	1,449	117	9,304
			LESS			
333		205	ALLOCATED GEN & ADMIN EXP.	89		76
1,005		92	ALLOCATED AND DIRECT NET INT	127		11
(808)		(9,986)	ALLOCATED FOREIGN, FEDERAL AND STATE INCOME TAXES	492		(3,311)
(1,211)		9,161	NET INCOME (LOSS)*	741		5,928
*****		*****	*****	*****		*****
(2.85)		74.85	RETURN ON INVESTMENT			
*****		*****				

\*Net Income (Loss) per books before recognizing Corporate allocated costs (YTD)

\$354

**Operating Revenue (Page 5)	\$19,913
Advance Royalty-Shirley Basin	5
Storage Charges	1,385
U308 Slurry	9
Westinghouse Rebate-Result of Litigation	(239)
Processing Gain	280
Total	<u>\$17,353</u>

SEQUOYAM FUELS CORP  
10-K INCOME STATEMENT  
FOR THE PERIOD ENDED SEPTEMBER 30, 1987

PAGE 1.1

	QUARTER		
	BETTER/(WORSE) THAN		
	ACTUAL	FORECAST	PRIOR YE
	THOUSANDS OF DOLLARS		
OPERATING REVENUES	7,075 **	1,720	3,791
OPERATING EXPENSES			
COST OF PRODUCT MATERIALS	(2,417)	2,417	5,157
OPERATING EXPENSE	5,320	(2,995)	1,701
SUB-TOTAL	2,911	(570)	6,85
SELLING AND GENERAL EXPENSE	1,010	221	45
DEPR., DEPLETION AND AMORT	1,203	(517)	2,41
EXPLORATION & CANCELLED USES	274	(104)	13
TAXES-OTHER THAN INCOME	254	(27)	(10
TOTAL OPERATING EXPENSE	5,652	(1,005)	9,75
INCOME (LOSS) FROM OPERS.	1,423	723	13,54
OTHER INCOME (EXPENSE)			
GAIN (LOSS) ON DISP PROPERTY	134	134	1
TOTAL OTHER INCOME (EXP)	134	134	1
NET INCOME (LOSS) BEFORE INTEREST AND INCOME TAX	1,557	857	13,6
LESS			
ALLOCATED GEN & ADMIN EXP.	147		(
ALLOCATED AND DIRECT NET INT	167		
ALLOCATED FOREIGN, FEDERAL AND STATE INCOME TAXES	300		(9,
NET INCOME (LOSS) *	743		7

*Net Income (Loss) per books before recognizing Corporate allocated costs (QTR)	\$1,657
**Operating Revenue	\$6,343
Storage Charges	485
Westinghouse Rebate - Result of Litigation	(33)
Processing Gain	280
Total	\$7,075



SEQUOYAH FUELS CORPORATION  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE PERIODS ENDED SEPTEMBER 30, 1987 & 1986

	YEAR-TO-DATE		Prior Month
	SEPTEMBER 30 1987	1986	
<u>SOURCE OF FUNDS</u>			
Operations			
Net Income (Loss)	\$ 354	(\$13,392)	(\$ 1,443)
Depreciation, Depletion and Amortization	2,901	4,967	2,514
Deferred Income Taxes	( 792)	( 2,509)	( 72)
Other Non-Cash Items	232	300	234
Total Funds From Operations	\$ 2,695	(\$10,634)	\$ 1,233
Proceeds From Future Production Payment Advances	-	-	-
Proceeds From Disposal of Properties	15	244	-
Intercompany Advances	11,043	1,759	10,310
Other	487	370	487
Total Funds Provided	\$14,240	(\$ 8,261)	\$12,030
<u>DISPOSITION OF FUNDS</u>			
Capital Expenditures	\$ 1,249	\$13,099	\$ 1,023
Repayment of Future Production Payment Advances	-	-	-
Dividends	-	-	-
Intercompany Advances	-	-	-
Other	545	1,832	267
Total Funds Used	\$ 1,794	\$ 14,931	\$ 1,290
INCREASE (DECREASE) IN WORKING CAPITAL	\$ 12,446	(\$ 23,192)	\$ 10,740
<u>WORKING CAPITAL INCREASED (DECREASED) BY</u>			
Cash	(\$ 6)	\$ 9	(\$ 15)
Accounts Receivable	( 46)	1,412	( 1,779)
Intercompany Accounts Receivable	213	( 21,009)	24
Inventories	6,692	133	7,650
Deposits and Prepaid Expenses	21	116	65
Accounts Payable	( 1,249)	196	( 748)
Intercompany Accounts Payable	( 108)	1,549	382
Taxes on Income	1,196	2,218	1,406
Accrued Liabilities and Other	5,733	( 7,816)	3,755
INCREASE (DECREASE) IN WORKING CAPITAL	\$ 12,446	(\$ 23,192)	\$ 10,740

URANIUM OPERATIONS  
 EQUOTAM FIELDS CORP  
 BALANCE SHEET  
 AS OF 09/30/87

BALANCES  
 09/30/87 PRIOR YEAR JANUARY 1  
 ----- THOUSANDS OF DOLLARS -----

## ASSETS

## CURRENT ASSETS

	73	46	79
CASH			
NOTES RECEIVABLE			
LESS RESERVES DOUBTFUL NOTES			
ACCOUNTS RECEIVABLE	3,226	1,358	3,271
TRADE	214	953	1
INTERCOMPANY	7	15	8
OTHER			
INVENTORIES	10,315	4,225	3,652
PRODUCTS	2,229	1,865	2,200
MATERIALS AND SUPPLIES	537	105	516
DEPOSITS AND PREPAID EXPENSE			
TOTAL CURRENT ASSETS	16,601	8,767	9,727

## INVESTMENTS AND OTHER ASSETS

ADVANCES-CONVEYED RECEIVABLE	(21,719)	17,959	(10,676)
ADVANCE RECEIVABLE-INTERCO.	6	12	6
PATENTS	6,233	1,021	6,720
LONG TERM RECEIVABLES			
ITL INVESTMENTS & OTHER	(15,680)	18,992	(3,950)

## PROPERTY, PLANT AND EQUIPMENT

GROSS INVESTMENTS	109,123	110,349	111,027
LESS RESERVE D.D. & A.	(81,903)	(91,456)	(81,909)
TOTAL PROP. PLANT & EQUIP	27,220	28,893	29,118

## DEFERRED CHARGES

PROJECT COSTS	9	39	39
PROJECT COSTS - ADV. ROYALTY	77	633	45
OTHER			
TOTAL DEFERRED CHARGES	86	672	84
TOTAL ASSETS	28,427	57,324	34,979

PANAMA OPERATIONS  
 EQUITYAM FUELS CORP  
 BALANCE SHEET  
 AS OF 09/30/87

PAGE 1

	BALANCES		
	09/30/87	PRIOR YEAR	JANUARY
	----- THOUSANDS OF DOLLARS -----		
LIABILITIES & STOCKHOLDERS' EQUITY			
-----			
CURRENT LIABILITIES			
-----			
NOTES PAYABLE			
ACCOUNTS PAYABLE			
TRADE	2,376	1,140	1,127
INTERCOMPANY	904	358	796
LT DEBT DUE W/T YEAR	16	16	16
TAXES ON INCOME	(12,346)	17,329	(11,150)
ACCRUED LIABILITIES			
TAXES-OTHER THAN INC. TAX	304	201	119
PAYROLL	462	536	562
INTEREST			
WORKMAN'S COMP. INS. RES.			
OTHER	1,288	8,770	7,106
	-----	-----	-----
TOTAL CURRENT LIABILITIES	(6,996)	28,350	(1,424)
	-----	-----	-----
LONG TERM NOTES PAYABLE	355	370	358
DEFERRED CREDITS AND RESERVES			
INCOME TAXES	(5,215)	3,452	(4,423)
DECOMMISSION & RECLAMATION	7,774	12,330	11,237
WASTE DISPOSAL	9,083	8,437	8,447
IMPURITY PENALTY, UNFED U308	271	267	271
OTHER	(10,715)		8,428
	-----	-----	-----
TTL DEF CREDITS & RESERVES	22,628	17,582	23,960
	-----	-----	-----
STOCKHOLDER'S EQUITY			
-----			
COMMON STOCK, PAR VALUE \$1			
1,200 SHARES AUTHORIZED	1	1	1
CAPITAL IN EXCESS OF PAR VAL	10,551	10,551	10,101
DIVIDENDS			
RETAINED EARNINGS	1,534	13,862	1,534
PROFIT (LOSS) FOR PERIOD	354	(13,392)	
	-----	-----	-----
TOTAL STOCKHOLDERS' EQUITY	12,440	11,022	12,286
	-----	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	28,427	57,324	34,980
	=====	=====	=====



[Letter from Sequoyah Fuels Corporation  
supporting amendment application]

Exhibit 1

1160L

[Letter from Kerridge  
supporting amendment application]

Exhibit 2

1160L

## CHAPTER 2. GENERAL ORGANIZATIONAL AND ADMINISTRATIVE REQUIREMENTS

### 2.1 Licensee's Policy

The Manager, Health Physics shall be responsible for establishing corporate radiation health and safety standards and procedures, and coordinating them with managers and executives directly affected. Corporate radiation health and safety standards and procedures shall require the approval of the Chief Executive Officer.

The Manager, Health Physics shall publish and maintain the Corporate Radiation Health and Safety Manual. This manual shall contain corporate radiation health and safety standards and procedures, and radiation exposure limits for all employees and other persons (e.g. visitors, contractors, etc.) potentially subject to such exposure from company operations.

The Manager, Licensing, Safety and Nuclear Compliance, Environment and Health Management Division shall be functionally responsible for obtaining and maintaining federal and state licenses and permits required for possessing and processing radioactive materials for all operational units (principal subsidiaries or equivalent units of General Atomics Corporation). The Manager, Licensing, Safety and Nuclear Compliance shall be the primary corporate contact with the Nuclear Regulatory Commission and other federal and state agencies responsible for licensing radioactive materials. All significant actions with regulatory agencies shall be subject to the approval of the responsible organizational unit head of Sequoyah Fuels Corporation or General Atomics.



The Radiation Safety Officer shall be responsible for the facility's radiation health and safety activities which includes:

- o Initiating and directing programs to ensure compliance with all applicable provisions of Sequoyah Fuels radiation health and safety standards and procedures, federal and state regulations and license conditions,
- o Establishing and maintaining systems for recording facility radiation survey and exposure data,
- o Coordinating on-site contacts with representatives of federal and state agencies responsible for regulating radioactive materials and advising the Manager, Licensing Safety and Nuclear Compliance, of the results of the on-site contacts,
- o Identifying and proposing new and revised radiation health and safety standards and procedures as needed, and
- o Notifying the Manager, Health Physics immediately of any radiation related incident or emergency situation involving radioactive materials.

The Manager, Health Physics shall be responsible for ensuring the qualifications of the Radiation Safety Officer to perform these duties and shall assist and advise them on matters involving radiation exposure and related subjects.

The Manager, Licensing, Safety and Nuclear Compliance, shall review the radiation health and safety practices of Sequoyah Fuels Corporation. This review is to ensure compliance with the current Company radiation health and safety standards and procedures,

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applicable federal and state regulations, and license conditions. The Manager, Licensing, Safety and Nuclear Compliance, shall document and submit the results of each review and any recommendations for new or revised standards and procedures to the General Manager with copies to the responsible organizational unit head, the Manager, Health Physics and the Vice President, Human Resources. Information copies shall be furnished to other corporate executives as appropriate.

In the event of a radiation-related incident or emergency situation, the Manager, Health Physics, the Manager, Industrial Safety and the Radiation Safety Officer shall conduct or have conducted a thorough investigation and prepare a special incident report which will be distributed to the appropriate individuals.

## 2.2 Organizational Responsibilities and Authority

The organization for Sequoyah Fuels Corporation and Sequoyah Facility is shown in Figure 2-1 and described below:

The General Manager of Sequoyah Fuels Corporation shall be responsible for all nuclear manufacturing activities including technical service activities. He specifically oversees the operations, modifications, process and equipment criteria, and standards of the health and safety program. He shall be responsible for the safe, efficient operation and for the control of all materials at the Sequoyah Facility. He specifically approves Operating Procedures, Plant Modifications and Processes, Equipment Criteria and other general and administrative matters. He reports to the President, Sequoyah Fuels Corporation.

The Manager, Licensing, Safety and Nuclear Compliance who reports to the Director, Environmental Affairs, General Atomics,



shall be responsible for obtaining and maintaining Federal and State Licenses and permits; for the general liaison with the regulatory agencies of the federal, state and local governments and for coordinating with operating facility managers in matters concerning health, safety and environmental requirements.

The Manager, Health Physics who reports to the Manager, Licensing, Safety and Nuclear Compliance, shall be responsible for the preparation of detailed corporate standards dealing with the control of radiation, spread of radioactive contamination and the monitoring of personnel and nuclear facilities. He is responsible for auditing procedures and plant operations in the health physics area. He reports his findings and recommendations for program improvements to the Manager, Health Physics who is the Chairman of the ALARA Committee.

The Manager, Licensing, Safety and Nuclear Compliance who reports to the Vice President, Human Resources shall be responsible for directing quarterly audits at the Sequoyah Facility to evaluate and verify compliance with the applicable federal and state regulations, NRC license conditions, permits, corporate policies, adherence to facility procedures, and Contingency Plan and implementing procedures and operational matters. The results of each review and any recommendations for new or revised standards and procedures shall be submitted to the Sequoyah Fuels General Manager, the President, Sequoyah Fuels Corporation, the Manager, Health Physics and the Vice President, Human Resources.

The Manager, Quality Assurance, who reports to the Sequoyah Fuels General Manager, shall be responsible for the development of Facility Quality Assurance Plan and implementing procedures to assure that all operations and safety related activities are performed in accordance with facility procedures. This shall include pertinent requirements for all activities affecting he



safety-related functions of structures, systems and components including assurance that design, procurement, fabrication, handling, shipping, storing, cleaning, erecting, installing, inspecting, testing, operating, maintaining, repairing and modifying requirements are done according to specification or instruction. The program shall provide assurance that indoctrination and training of personnel performing activities affecting quality, as necessary to assure that suitable proficiency is achieved and maintained, is done. Although the individual reports to the Sequoyah Fuels General Manager, he shall have organizational freedom with direct access to the President, Sequoyah Fuels Corporation.

The Manager, Health, Safety and Environment, who reports to the Sequoyah Fuels General Manager, shall be responsible for developing programs and procedures in the functional areas of safety, industrial hygiene, health physics and environmental oversight that comply with federal and state regulations and license conditions. This include such programs as (a) the effluent monitoring program, (b) the bioassay program, (c) the health and safety training programs, (d) the program for the surveillance of all plant activities in the areas of industrial safety, industrial hygiene and health physics, (e) environmental monitoring and (f) maintaining all radiation exposure and other health and safety records required by General Atomics, Sequoyah Fuels Corporation and by regulating agencies. As the Contingency Plan Coordinator for Sequoyah Facility, he shall be responsible for the development and implementation of the Facility Contingency Plan and the Contingency Plan Implementing Procedures, which includes the off-site Emergency Response Plan and Procedures. He works with the Manager, Procedures and Training to ensure that all facility employees and members of response organizations receive initial and continuing training.

The Manager, Health Physics and Industrial Hygiene shall be the Sequoyah Facility Radiation Safety Officer (RSO). He reports to the

Manager, Health, Safety, and Environment and shall be responsible for the implementation of the industrial hygiene and health physics program including the effluent monitoring program, the radiological environmental monitoring program, the respiratory protection program and the program for surveillance of all plant activities in the areas of industrial hygiene and health physics.

He also assists the Manager, Health, Safety, and Environment in carrying out his assigned duties. He provides direct supervision of the Health and Safety Technicians.

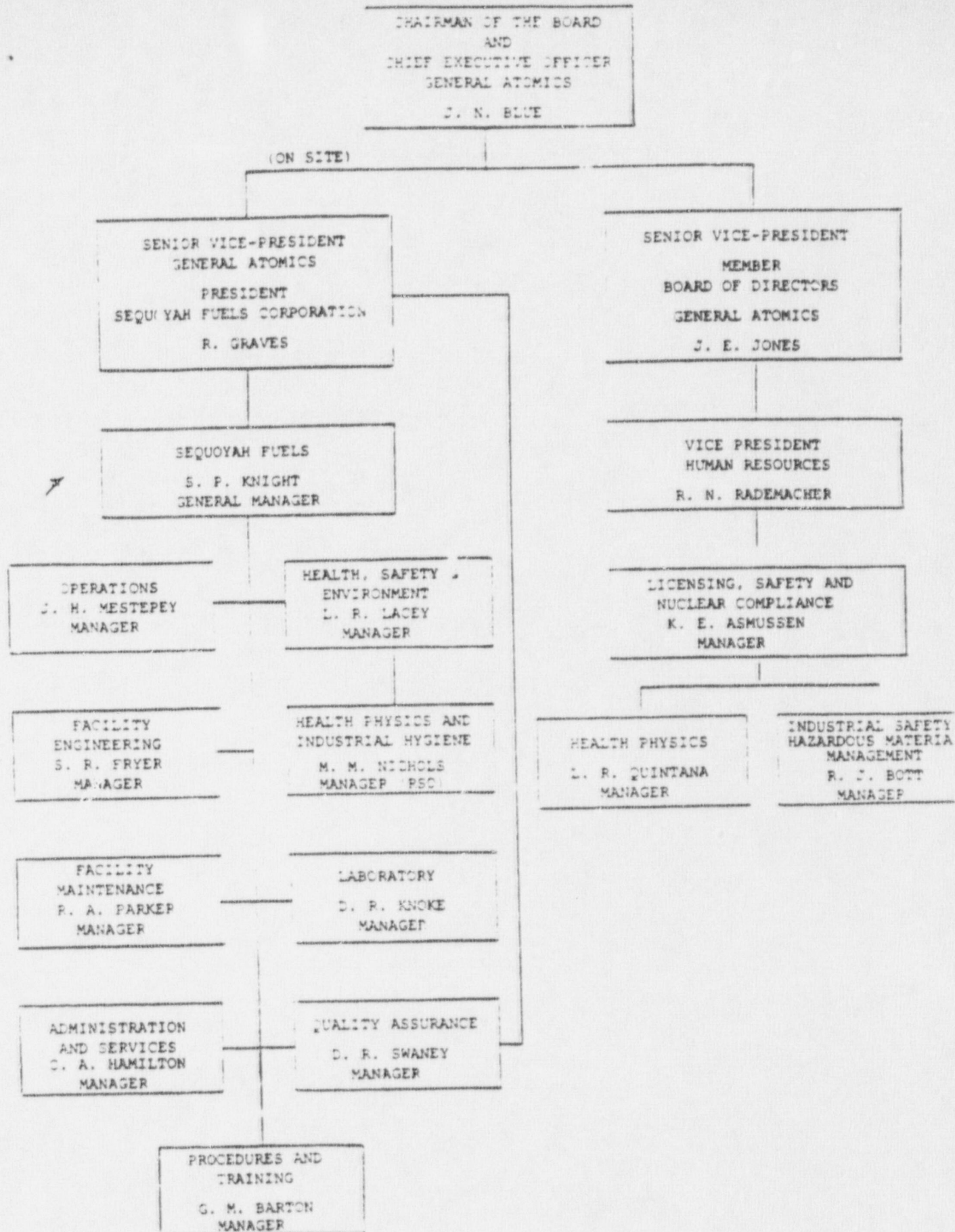
The Environmental Engineer, who reports to the Manager, Health, Safety, and Environment shall be responsible for developing programs and procedures to comply with all non-radiological environmental monitoring requirements, required by federal and state agencies. This includes the maintenance of environmental records required by General Atomics, Sequoyah Fuels Corporation and by regulatory agencies.

The Manager of Operations, who reports to the Sequoyah Fuels General Manager shall be responsible for all operational activities at the Sequoyah Facility. Operating procedures, which specify operating steps within the requirements of the approved health and safety standards and process and equipment criteria, shall be prepared and maintained under his direction.

The Manager of Facility Engineering, reporting to the Sequoyah Fuels General Manager shall provide and supervise engineering services to safely, efficiently and economically convert yellowcake to UF<sub>6</sub> through process and design modification and process evaluations.

The Area Managers, who report to the Manager of Operations, shall be responsible for planning and coordinating the safe and efficient operation of their assigned areas. They also provide





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technical direction to Area Superintendents and Shift Supervisors and shall perform short and long range planning involving the overall operation of the assigned production area.

The Area Superintendents, who report to the Area Managers, shall be responsible for coordinating activities within an assigned production area. They assist the Area Managers in short and long range planning involving the overall operation of their assigned areas.

The Shift Supervisors, who report to the Area Superintendents, shall be responsible for directing the activities of operators and for assuring that all operating procedures are followed in the performance of the production activities.

The Manager of Administration and Services who reports to the Sequoyah Fuels General Manager shall be responsible for providing the necessary administrative services to support the safe and efficient operation of the facility. This responsibility includes such programs as labor relations, procedure development, security, procurement and training. The Manager, Procedures and Training reports to the Manager of Administration and Services and together they are responsible for maintaining the Technical Training Center and the facility training program.

The Manager of Facility Maintenance who reports to the Sequoyah Fuels General Manager shall be responsible for all maintenance and surveillance activities at the Sequoyah Facility. Required maintenance and surveillance procedure which specify maintenance related activities within the requirements of approved health and safety standards and regulations shall be prepared and maintained under his direction.

The Manager, Facility Laboratory who reports to the Sequoyah Fuels General Manager, shall be responsible for the operation of the

facility's radiological/non-radiological analytical laboratory. Required analytical and calibration procedures shall be prepared and maintained under his direction.

### 2.3 Safety Review

The independent overview functions carried out under the Vice President, Human Resources through his staff shall be as follows:

1. To establish the corporate criteria and standards for contamination control and radiation protection for manufacturing processes and equipment.
2. To establish the corporate standards for procedures to be followed by operations management in assuring that processes and equipment are operating in a way to prevent spread of contamination and radiation exposure.
3. To make periodic routine and non-routine inspections against the criteria, standards and procedures of the program.
4. To maintain technical liaison with regulatory agencies, of local, state and federal government.
5. To offer expert professional advice and counsel to Corporate and Facility Management in health and safety matters.
6. To procure as required special audit services, inspections or calculational capability for problems from qualified consultants or other divisions of General Atomics when it appears that an adequate solution definition exceeds the capability of the staff.



#### 2.4 Approval Authority for Personnel Selection

The Sequoyah Fuels General Manager shall approve personnel selection for safety related staff positions described in Section 2.2 of this license.

#### 2.5 Personnel Education and Experience Requirements

The education, training, and experience requirements for all safety-related management and staff positions for Sequoyah Facility shall be as follows:

The Sequoyah Fuels General Manager shall hold a degree in science or engineering and have at least 5 years experience in chemical plant processing and have at least 5 years of supervisory or management experience, with at least 2 years management experience in chemical or nuclear materials manufacturing facilities. The individual shall have demonstrated through progressively more responsible management positions the ability to manage complex technical and administrative programs similar to those found in a chemical processing plant or other type nuclear fuel cycle facilities.

The Manager, Health, Safety, and Environment shall hold a degree in science or engineering and have at least 5 years experience in areas such as environmental and radiation monitoring, radiation protection, health physics, emergency preparedness and regulatory compliance programs. He shall have demonstrated a proficiency to conduct specified radiation and health safety programs.



The Manager, Health Physics and Industrial Hygiene shall hold a degree in science or engineering and have at least 3 years experience in radiation monitoring and personnel exposure evaluation or shall have a high school diploma with seven (7) years of managerial and technical experience in radiation monitoring and personnel exposure evaluation. He shall have demonstrated proficiency to : 1) conduct specified radiation safety programs, 2) recognize potential radiation safety problem areas in the operation, and 3) advise operation supervision on radiation protection matters. He shall be capable of directing the surveillance activities of Health and Safety Technicians.

The Environmental Engineer shall hold a degree in science or engineering or have a high school diploma with four (4) years of technical experience. The individual shall have demonstrated proficiency to: 1) formulate and conduct specified non-radiological environmental monitoring programs and 2) recognize potential environmental problem areas.

The Manager of Facility Engineering shall hold a degree in science or engineering with 5 years experience in chemical or nuclear materials processing, or chemical materials handling. The individual shall have 3 years experience in a supervisory position.

The Manager of Operations shall hold a degree in science or engineering with 5 years experience in the operation of a chemical or nuclear materials processing plant with at least 3 years of management experience. He shall have demonstrated proficiency in identifying process changes which require health physics and safety analysis.

The Area Managers shall hold a degree in science or engineering with 3 years experience in chemical processing, process engineering, or project engineering and handling of uranium materials. They

shall have demonstrated experience in a project engineering, or managerial activity.

The Area Superintendents shall hold a degree in science or engineering or have a high school diploma with 5 years experience in a chemical processing plant and have a thorough knowledge of the development of operation procedures.

The Shift Supervisors shall hold a degree in science or engineering or have a high school diploma with 5 years experience in a chemical processing plant. The individual shall be thoroughly familiar with the uranium production activities and have a thorough knowledge of the approved operating procedures.

The Manager, Administration and Services shall hold a degree in science or business administration and have at least 3 years experience in various administrative functions such as labor relations, procurement, computer services and training. He shall have demonstrated proficiency in directing administrative activities in those functional areas.

The Manager, Facility Maintenance shall hold a degree in science or engineering with 5 years experience in maintenance/operation of a chemical or nuclear materials processing plant with at least 3 years of management experience. He shall have demonstrated proficiency in identifying maintenance and surveillance activities which require health physics and safety analysis.

The Manager, Facility Laboratory shall hold a degree in science with 5 years experience in the analytical laboratory including radiochemistry and quality control techniques. The individual shall have experience in a supervisory position.

The Manager, Quality Assurance shall hold a degree in science or engineering with 3 years experience in a chemical or nuclear



materials processing plant. He shall have demonstrated managerial proficiency in identifying potential problem areas involving operations and maintenance activities.

The Manager, Licensing, Safety and Nuclear Compliance  
(Environment and Health Management Division of General Atomics Corporation) shall hold a degree in science or engineering and shall have at least 5 years experience in matters related to radiation protection. The individual shall be thoroughly familiar with NRC license requirements, NRC, and EPA regulations and regulations of other agencies having oversight responsibilities for activities conducted at the Sequoyah Facility. He shall be capable of providing authoritative advice and counsel in matters related to NRC licensing and procedures and regulations.

## 2.6 Training

The training program shall be designed specifically to train operating, maintenance, and administrative personnel in the safe and efficient operation of the Sequoyah Facility.

All personnel, including contract personnel, shall receive appropriate training prior to working with material authorized by this license. In addition, SFC operating employees receive training in the satisfactory performance of all phases of their job through two important elements; classroom training and on-the-job training. SFC's certification program documents satisfactory completion of the training requirements for each individual. Satisfactory completion of training shall be documented and recorded in the employee training file.

General employee training shall consist of comprehensive classroom lectures and demonstrations for all new hires. Topics covered in the basic instruction shall include: (1) Chemistry and Physics, (2) Plant Operations Overview, (3) Health Physics, (4)



Safety and Hazard Communication. (5) Respiratory Protection, and (6) Emergency and General Procedures.

During general employee training, the importance of work rules pertaining to radiation, chemical and industrial safety shall be stressed to the employee. The Employee Safety Handbook shall be reviewed with all personnel as part of training for radiation safety, protective equipment and emergency procedures. The basic training program shall emphasize the need for strict adherence to procedures, regulatory requirements and license conditions.

Specific process operations training shall consist of classroom lectures and demonstrations developed as component process module within the facility operating areas. Lesson plans for these areas shall be based primarily on the plant operating procedures which detail safe and efficient operation of the process and the equipment. Records of attendance and test result for classroom work shall be maintained in the facility training file. Certification to perform a specific job function shall require successful completion of the module, including testing and on-the-job training before the employee shall be permitted to do the job unsupervised or without a sponsor.

On-the-job training shall follow successful completion of classroom training for newly assigned personnel. Shift Supervisors shall direct the process walk-throughs and document individual performance in the task training manuals, which are made part of the permanent personnel training file.

Monthly safety meetings shall be conducted by the Shift Supervisor and Health and Safety personnel to enhance awareness of facility safety and procedural matters. The Sequoyah Fuels General Manager shall recommend selected topics to be discussed in addition to material normally covered at these meetings.

Annual refresher training for all employees shall be administered through the Training Department and shall include such subjects as general plant processes, chemistry, radiological safety, health physics, chemical hazards, and general facility procedures.

Prior to startup of new or significantly-modified process equipment, training in the new procedures and equipment shall be provided to all operators scheduled for shift coverage in the particular process module area.

Additionally, all employees shall receive annual instruction on the Contingency Plan. The extent of the training is dependent upon their job function and attendant emergency response responsibilities.

## 2.7 Conduct of Operations

### 2.7.1 Operating Procedures

It shall be the responsibility of the Sequoyah Fuels General Manager to see that written operating procedures are established, maintained and adhered to for all operations and safety-related activities involving source or hazardous materials. All operating procedures shall be reviewed by the Manager, Health, Safety and Environment and approved by the Sequoyah Fuels General Manager and appropriate training conducted and documented prior to the implementation of the procedure. Temporary changes shall not be made to procedures without the review and written approval of the Sequoyah Fuels General Manager or his designate. Procedures shall be reviewed and revised as necessary at least every 18 months or whenever necessary to reflect changes in the facility operation. The Sequoyah Operating Procedure System shall establish requirements for the development of new operating procedures, revisions to existing operating procedures, the review and approval process, the level of training required, if any, and the degree of documentation



necessary to demonstrate that the appropriate facility operating personnel are knowledgeable of new or revised procedures.

#### 2.7.2 Document Control

A document control system shall be established and maintained to assure that the procedure copies in use are the latest revision. A sanction statement regarding the serious nature of failure to follow the procedures shall be included in the General Procedure - Sequoyah Operating Procedures §. Items and emphasized in the employee training program.

#### 2.7.3 Activities Involving Uranium

All activities involving uranium shall be conducted in accordance with approved health and safety standards. The health and safety standards shall be prepared by the Manager Health Physics and shall be reviewed for license compliance by the Manager, Licensing, Safety, and Nuclear Compliance and the Manager, Health, Safety and Environment. The standards shall be reviewed for operability by the Sequoyah Fuels General Manager. Changes to the Health and Safety standards shall follow the same administrative review and approval system as original standards.

#### 2.7.4 Design Control

Process and equipment design, which delineate the process and prescribe critical design parameters, shall be prepared by the Manager, Facility Engineering and shall be approved by the Sequoyah Fuels General Manager, the Manager, Quality Assurance, and the Manager of Operations. The Manager, Licensing, Safety and Nuclear Compliance and the Manager, Health Physics shall review major process and equipment changes. Major changes to process operations and to equipment design shall be reviewed for operability and



approved by the Sequoyah Fuels General Manager and/or the President, Sequoyah Fuels Corporation.

Modifications or changes to process operations or equipment that normally occur during operations shall be prepared by the Manager, Facility Engineering; reviewed by the Manager, Health, Safety and Environment, the RSO and the Manager, Quality Assurance; and approved by the Sequoyah Fuels General Manager. All experimental and developmental work to be performed at Sequoyah Facility shall be approved by the Sequoyah Fuels General Manager prior to its initiation.

#### 2.7.5 Maintenance Work

All maintenance work shall be performed in accordance with the Maintenance Work Order Procedure. The Maintenance Work Order Procedure defines two categories of Maintenance Work Orders; 1) repair work orders and 2) modification work. Actual work orders shall be issued only by the Maintenance Department using numbered work orders. Operations department supervisors shall determine if any planned maintenance work involves a potential release of radioactive material or potential exposure to radioactive material. If a determination is made that the work could involve uncontained uranium, the operation supervisor shall prepare a Hazardous Work Permit in accordance with established procedure. Both the Maintenance and Operations supervisors shall inspect the repaired work and shall sign the work order indicating that the work has been completed and is acceptable. At the completion of major modification work the Manager, Health, Safety and Environment shall assemble a Safety Review and Acceptance Team who shall review the completed work and either approve the work or recommend additional work. The Safety Review and Acceptance Team shall sign the work order indicating that the work has been completed in an acceptable

manner. All copies of the signed and completed work order shall be forwarded to Facility Engineering for updating plant drawings. The copy of the completed work order shall be returned to Maintenance for filing. The Manager, Quality Assurance shall periodically audit the work quality and drawing currency.

A maintenance surveillance program shall be established for critical instrumentation, alarms and interlocks. The critical instruments, alarms and interlocks covered in the maintenance surveillance program shall be periodically checked and calibrated commensurate with the safety function but in no case shall the surveillance frequency exceed once every 12 months.

## 2.8 Audits and Inspections

The Manager, Health Physics and Industrial Hygiene shall conduct an inspection of all plant activities involving radioactive materials on a monthly basis in accordance with a written procedure. A written report documenting the inspection findings shall be made to the Sequoyah Fuels General Manager with copies to the Manager, Health, Safety and Environment.

The Vice President, Human Resources, General Atomics, shall conduct quarterly audits at the Sequoyah Facility to evaluate and verify compliance with applicable federal and state regulations, NRC license conditions, permits, corporate policies and facility procedures in accordance with a written plan. The audits shall apply to major areas such as operations and safety-related activities involving radioactive materials, radiation protection, health physics, industrial safety, environmental control and emergency response programs. The audits shall be conducted by qualified Compliance Specialists trained in basic radiation protection and knowledgeable about federal and state regulations, corporate policies and facility procedures. At the conclusion of the audit, the Compliance specialist shall conduct an exit interview



with the Sequoyah Fuels General Manager, or his designate and apprise him of any significant findings and the need for any immediate corrective actions. A formal report of findings, observations, and recommendations shall be prepared and submitted by the Manager, Licensing, Safety and Nuclear Compliance to the Sequoyah Fuels General Manager. Copies of the report shall be furnished to the Manager, Licensing, Safety and Nuclear Compliance, Manager, Health Physics and the President of Sequoyah Fuels Corporation. In responding to the report, the Sequoyah Fuels General Manager shall give the status of corrective action that has been taken and provide a schedule for additional action which will be taken. The Compliance Specialist shall conduct an immediate follow-up review to ensure corrective action is being taken.

The Manager, Quality Assurance shall conduct periodic audits of operations and safety-related activities in accordance with the QA Plan and Procedures. The audits shall be conducted to verify compliance with corporate policies, procedures, license conditions and federal regulations. Audit findings shall be documented with copies of the report forwarded to the Sequoyah Fuels General Manager, and the President Sequoyah Fuels Corporation. Copies of the audit shall also be provided to the facility managers who have responsibility for the area audited. The Sequoyah Fuels General Manager shall be responsible for assuring that audit findings are addressed in a timely manner. Follow-up action, including reaudit of deficient areas, shall be taken where indicated.

## 2.9 Investigations and Reporting of Non-Normal Occurrences

The Sequoyah Facility shall provide an "Incident Report" systems. An incident report shall be made for each release of material resulting in gross airborne alpha activity in excess of 3 MPC based on uranium. This incident report shall be initiated by the Manager, Health Physics and Industrial Hygiene and is directed to the supervisor whose personnel were potentially exposed and then



forwarded to the Sequoyah Fuels General Manager. The supervisor shall sign the report including any pertinent observations as to the correction of the condition to avoid future incidents. The report shall then be distributed to the Manager of Operations, the Sequoyah Fuels General Manager, Manager Health Physics and the Manager, Licensing Safety and Nuclear Compliance. These reports form a basis for the quarterly ALARA review and include a dose assessment based upon the occupancy conditions and protective equipment used at the time of the incident.

Releases of radioactive material to the environment exceeding established release reporting criteria in 10 CFR Part 20 shall be reported promptly to the Manager, Licensing, Safety and Nuclear Compliance and reported to the NRC as required by Sequoyah Operating Procedure - Reporting Requirements and Federal regulations. Subsequently, the matter shall be investigated by a manager and RSO at the Sequoyah Facility and a written report submitted as required.

Chemical releases to the environment exceeding State or EPA limits shall be reported as appropriate in accordance with the above referenced procedures and regulations.

#### 2.10 Records

All plant and personnel health physics data and reports shall be recorded and filed in accordance with applicable regulations. Timely trend analyses and reports shall be made at monthly intervals to plant management. The records of surveys and personnel exposure records are retained and reports are made in accordance with applicable regulations.

All required plant training activities shall be documented in the employee training files. Facility audit results by both Regulatory Compliance and the Quality Assurance Manager shall be maintained in accordance with the Quality Assurance Plan and Implementing Procedures and Corporate Policies.

## Chapter 11. Organizational and Personnel

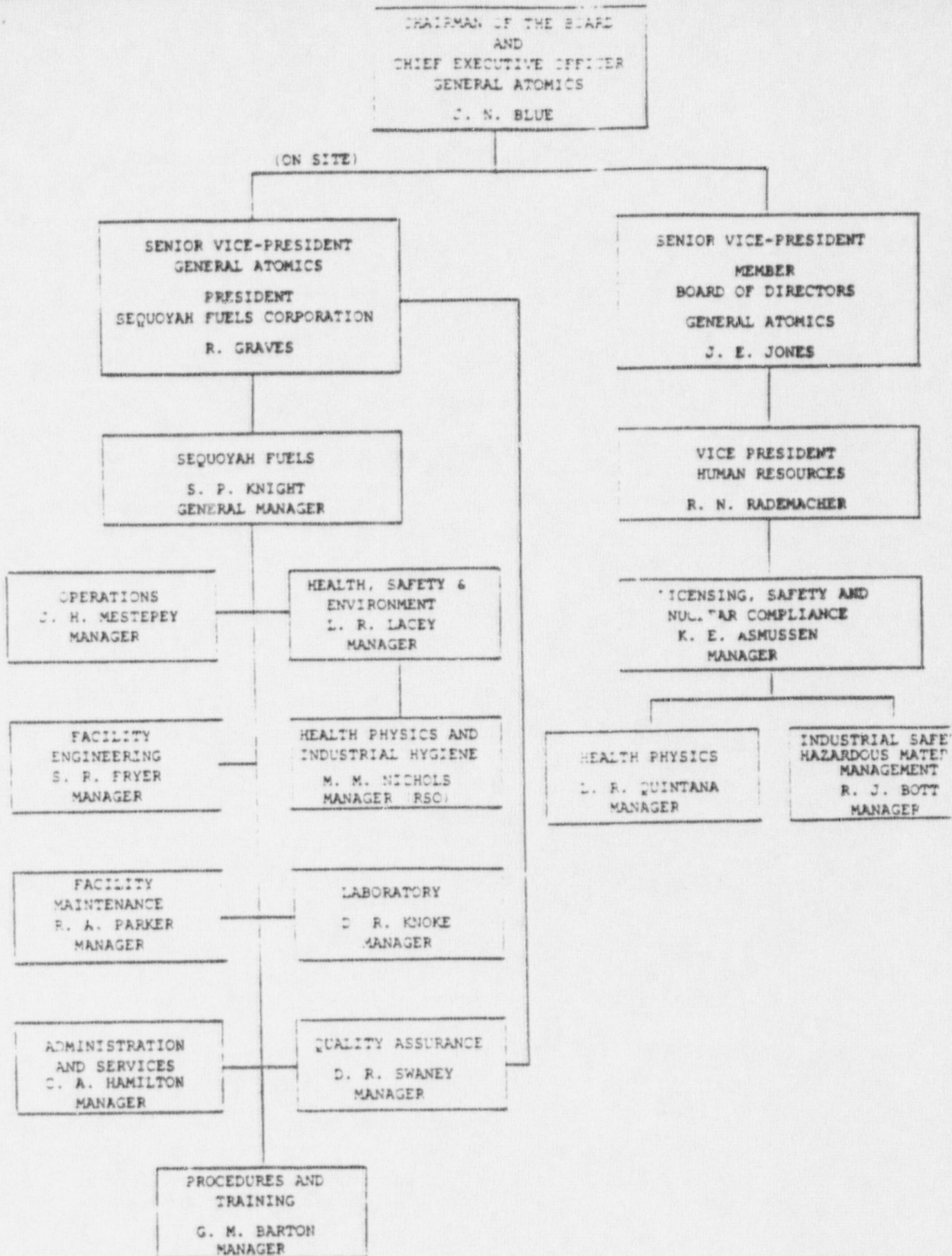
### 11.1 Unit Functions

The Sequoyah Fuels General Manager is responsible for the safe and efficient operation and for the control of all material at the Sequoyah Facility. The Sequoyah Fuels General Manager reports to the President of Sequoyah Fuels Corporation.

The facility organization consists of seven specific departments, headed up by a Manager who reports to the Sequoyah Fuels General Manager (Figure 11-1).

1. The Health, Safety and Environmental Department develops programs and procedures in the functional areas of health physics, industrial hygiene, industrial safety and environmental. The department is also responsible for the development and implementation of the Facility Contingency Plan and implementing procedures which include the Offsite Emergency Response Plan and Procedures. The department conducts inspection and audits of all radiological health and safety aspects of facility activities.
2. The Operations Department accomplishes safe and efficient operation of process and equipment for the production of uranium hexafluoride and all associated systems.
3. The Facility Maintenance Department performs the installation, modification, repairs, replacement, preventative and routine maintenance and/or testing of all equipment and facilities necessary for safe and economic production of uranium hexafluoride.







4. The Facility Engineering Department provides engineering services required to accomplish routine process engineering including process evaluation and design modifications for safe operation of the facility.
5. The Administration and Services Department provides all necessary administrative services to support the safe and efficient operation including labor relations, physical security, procedure development, procurement, and nuclear material accountability. The department also administers the facility's training program.
6. The Facility Laboratory performs all necessary analytical services for facility process control, radiological and environmental control and specification control on product material.
7. The Quality Assurance Department assures those who are accountable for operating, maintaining and controlling plant activities carry out their assigned functions in accordance with corporate standards, NRC license conditions, applicable state and federal regulations and accepted engineering and industry standards.

#### 11.2 Organizational Procedures

In view of the company's basic concern for the well-being and protection of its employees and for the health and safety of the public, and in the discharge of its responsibilities under public laws and regulations, a stringent effective program is maintained for the control of radiation and contamination hazards. To conduct the program, organizational components are established to provide not only for strong facility management in radiation safety but also for independent development of process and equipment criteria and health and safety standards, and audit thereof, under conditions

which minimize the length of reporting lines and maximize the effectiveness of management control.

The basic premise of Sequoyah Fuels Corporation and <sup>^</sup>General Atomics is that every individual has a personal responsibility for carrying out his assigned task in the manner which will not only achieve its operational objectives, but will do so without endangering the health and safety of that individual, his co-workers, or the public. It follows that every person in the chain of operational command has responsibility for health and safety matters for all operations under his control.

It is also a basic premise of Sequoyah Fuels Corporation and <sup>^</sup>General Atomics that there be a strong independent overview of the activities of the line operations to assure, through a check and balance system, that health and safety problems have been adequately considered in the process selection and equipment design; that adequate procedures have been established to assure that the process and equipment are operating in a safe manner; and that personnel are adequately protected against radioactivity and radiation hazards.

Organizational responsibilities specific to the Sequoyah Facility are established to give full weight to these two premises.

The radiation protection control programs for the safe handling and process of the source materials and the control of all activities, personnel and equipment are the responsibility of the <sup>^</sup>Sequoyah Fuels General Manager.

The Manager, Health, Safety and Environment, reporting to the <sup>^</sup>Sequoyah Fuels General Manager develops programs and procedures in the functional areas of industrial safety, industrial hygiene, health physics, radiation protection, environmental monitoring, onsite emergency preparedness and offsite emergency response.



The Manager, Health Physics and Industrial Hygiene (RSO), reporting to the Manager, Health, Safety and Environment implements programs in plant radiation protection, industrial hygiene, effluent and environmental monitoring and surveillance of plant activities and environmental impact and conducts inspections of health and safety and industrial hygiene aspects of plant activities.

The Manager, Health Physics is responsible for preparation of detailed standards dealing with prevention of the spread of contamination, control of radiation, monitoring of personnel and facilities, and performing independent audits of operations in the health physics areas. He reports to the Manager, Licensing, Safety and Nuclear Compliance.

All activities involving uranium are conducted in accordance with written and approved health and safety standards. These standards specify the rules, principles and measures used at the Sequoyah Facility for the radiological safety programs. The health and safety standards are prepared under the direction of the Manager, Health Physics. They are reviewed for license compliance by the Manager, Licensing, Safety and Nuclear Compliance and reviewed and approved by the Sequoyah Fuels General Manager for operability. Changes to the health and safety standards follow the same administrative review and approval system as original standard

### 11.3 Functions of Key Personnel

Process and equipment design criteria, which generally delineate the process and prescribe critical parameters are prepared under the directions of the Manager, Facility Engineering. They are reviewed as appropriate by the RSO, and the Manager, Health Physics and reviewed and approved by the Sequoyah Fuels General Manager.



The Sequoyah Fuels General Manager or his designate will approve in writing, minor modifications to facility procedures and instructions within the scope of the installed equipment.

Experimental and development work performed in the Sequoyah Facility is described in writing by the Manager, reviewed by the RSO, with final approval by the Sequoyah Fuels General Manager, Sequoyah Fuels Corporation.

In addition to the above reviews, the Sequoyah Fuels General Manager may request review assistance from the Engineering Services Division for specific engineering requirements and from the Manager, Licensing, Safety and Nuclear Compliance for administering independent audit activities and liaison with the regulatory agencies of the local, state, and federal governments.

Written procedures, which specify operating steps within process and equipment criteria and the health and safety standards, are approved by the Sequoyah Fuels General Manager.

The Operations's Manager has the responsibility for formulating developing and maintaining the detailed operating procedures based on approved criteria and standards. The operating procedures are reviewed by the RSO and approved by the Sequoyah Fuels General Manager.

Changes to the operating procedures which are within the approved criteria and standards follow the same administrative review and approval system as original procedures.

Independent audits through the Manager, Health Physics are conducted to assure compliance with license conditions and process equipment criteria standards.

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That Manager, Quality Assurance conducts independent audits to plant activities are in compliance with operating procedures, license conditions, applicable federal and state regulations and industry standards.

The Manager, Licensing, Safety and Nuclear Compliance is responsible for determining when operational changes fall outside the scope of the license or if such changes require appropriate license amendments.

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#### 11.4 Education and Experience of Key Personnel

Scott P. Knight, General Manager,

##### Education

BS Engineering, U.S. Military Academy

JD Law, DePaul University College of Law

MBA General Management, University of Chicago

##### Experience

4/86 - General Manager, Sequoyah Fuels Corporation.  
Manager, Administration and Services, Sequoyah Fuels Corporation

1986 Manager, Operation Analyst, Kerr-McGee Corporation.

1970-1983 United States Army Managing Attorney, Fort Lewis, Washington. Supervised and trained staff of 10 attorneys plus administrative support.  
Supervisor, Augsburg, West Germany. Responsible for providing defense services to military personnel.  
Senior Prosecutor, Fulda, West Germany.  
Supervised law enforcement for U.S. Armed Forces in Europe. Conducted over 100 jury trials.  
Legal Counsellor, Fort Sheridan, Illinois. Advised Post Commander.  
Unit Leader. Managed military combat organizations from 40 to 1,200 soldiers. Operations/Staff Officer, Fort Knox, Kentucky.



Responsible for inventory control of U.S. Government property; supervised preparation, scheduling, support and delivery of instruction at U.S. Army Armor School.

Management Analyst. Development automated inventory control system for Army Medical Center, San Francisco, California.

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Rodney N. Rademacher, Vice President, Human Resources, General Atomics

Education

B.A. Industrial Psychology, San Diego State University, 1962.

Graduate Studies, San Diego State University.

Graduate Studies, University of Colorado, Colorado Springs.

Experience

Mr. Rademacher has been employed by General Atomics (GA) since early 1974 in various management capacities prior to assignment to his present position in March 1988. Before this assignment he was Director of Human Resources where he performed in essentially the same capacity. He is responsible for designing, developing and directing company Human Resource programs, policies and procedures so as to effectively support the company's overall business objective. He functions as chief advisor on the personnel implications of company problems, business procedures and other management actions. The Security Force Department was added to his responsibilities

in August 1985 and the Licensing and Nuclear Compliance Department in March of 1986. As such, he has a very broad understanding of the company's people, programs and business needs and requirements. He is intimately familiar with his organization's operations, requirements and applicable NRC and other government requirements. Because of his strong Human Resources and Safety orientation, he has developed an influential, positive working relationship with most GA managers and employees.

Before coming to GA, Mr. Rademacher was Director of Employee Relations for GETZ Brothers & Company, Inc., 1973-74; Manager of Corporate Employment and EEO for Colorado Interstate Corporation, 1968-1973; Personnel Generalist for SDG&E, 1957-1968; and the U.S. Marine Corps Reserves, 1955-1956.

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Dr. Keith E. Asmussen, Manager, Licensing, Safety and Nuclear Compliance, General Atomics

Education

Ph.D., Nuclear Engineering, Iowa State University of Science and Technology, 1969  
Graduate Study in Nuclear Engineering (1 year)  
University of Arizona, 1967  
M.S., Nuclear Engineering, Iowa State University, 1966  
B.S., Engineering Operations (Industrial Engineering), Iowa State University, 1965

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Registered Professional Engineer, Nuclear Engineering,  
California

Member, San Diego Section American Nuclear Society

### Experience

Dr. Asmussen joined General Atomics' (GA) Nuclear Analysis and Reactor Physics Department as a Senior Reactor Physicist in 1969. His initial responsibilities involved nuclear fuel management analyses and reactor physics calculations. In 1972 he was temporarily assigned to the Fuel Performance Branch where he was responsible for developing the reactor core thermal safety limit and other fuel related technical specifications for a large High Temperature Gas-cooled Reactor (HTGR).

In 1973, and again in 1976, he served as a site physicist at the Fort St. Vrain (FSV) HTGR. His responsibilities involved planning coordinating and participating in the initial fuel loading, subcritical testing and monitoring, zero power physics testing and rise-to-power testing. Beginning in 1974, he spent 18 months working in the HTGR physics group of Hochtemperatur Reaktor Bau (HRB) located in Mannheim, West Germany. At HRB he acted as GA liaison and consultant regarding HTGR core and fuel design. In 1976, he returned to GA's San Diego offices and became a section leader engaged in Lead Plant HTGR core physics design and nuclear analysis. Late in 1977, he was given the special assignment of coordinator of all testing (in-pile and out-of-pile) related to resolving the



FSV core temperature fluctuation problem.

In 1979, he became Manager, Fort St. Vrain Fuel Engineering where he was given the additional responsibility for directing all the technical analyses required to design, manufacture and license FSV reload segment fuel. Other responsibilities included fuel accountability, core reactivity monitoring and monitoring the performance of the core and fuel. He played a key role in developing revised Technical Specifications for the FSV reactor and obtaining NRC release for unrestricted fuel power operation. He worked intimately with Public Service Company of Colorado licensing personnel on a variety of issues involving personnel interaction with NRC staff. In 1983, he became Coordinator, Fort St. Vrain Core Activities. In this capacity his technical responsibilities remained unchanged but he assumed responsibility as project manager of these and related tasks.

From 1979 to 1985, Dr. Asmussen served on GA's Fuel Material Review Board which reviews and dispositions nonconformance reports, waivers, etc., related to the FSV Fuel Specifications.

In 1985, he became Manager of Licensing and Nuclear Material Control. His areas of responsibility were broadened in 1986 when he became Manager, Licensing, Safety and Nuclear Compliance. In this capacity, he is responsible for administering GA's licenses, liaison with regulatory agencies and reviewing and approving all work involving radioactive

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material for compliance with applicable regulations and license conditions. In addition, he is responsible for the overall planning, coordination, and administration of GA's special nuclear material control, nuclear safety, health physics, and industrial safety.

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Laura R. Quintana, Manager, Health Physics, General Atomics

Education

B.S. Biology, Chemistry, New Mexico Highlands University, 1976

M.S. Applied Nuclear Science (Health Physics), Georgia

Institute of Technology, 1979

Experience

General Atomics, San Diego, CA

Manager, Health Physics (8/82-present). Assures compliance with 10 CFR Parts 19 and 20 as well as state and U.S. Nuclear Regulatory Commission license-imposed radiological safety requirements. Provides review and approval of radiological safety of activities involving special nuclear materials or other radioactive materials, monitors activities involving special nuclear or radioactive materials, personnel monitoring, dose rate measurement, radioactive material detection and assay, air and water sampling and environmental monitoring.

Provides radiological safety support in decontamination/decommissioning of facilities, including low-level radioactive waste disposal. This involves the identification of radionuclides, quantities and classifications as well as

radiation and contamination measurements.

The Salk Institute, La Jolla, CA (2/80-5/82)

Assistant Radiation Safety Officer and subsequently  
Radiation Safety Officer. Responsible for the radiation safety  
program and the radioactive material licensing of two  
affiliated companies, La Jolla Biological Associates and the  
Salk Institute Biotechnology Industrial Associates, Inc.  
Oak Ridge National Laboratory, Oak Ridge, TN (6/76-9/78)

Initially assigned a research project for the Environmental  
Sciences Division. Subsequently, joined the Health Physics  
Division as a health physics technician.

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Ronald J. Bott, Industrial Safety Engineer, General Atomics  
Qualifications

Ten (10) years experience in developing, implementing, and  
reviewing company safety, fire, and health programs.

Broad working knowledge of federal and state occupational  
safety and health codes, hazard communication programs, and  
environment regulations.

Experienced in accident/incident investigations involving  
worker's compensation insurance and loss prevention programs.

Strong technical background in mechanical engineering and  
manufacturing processes, including experience with plastic  
processing and fabrication.

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### Education

B.S. Mechanical Engineering, San Diego State University, 1970.  
Numerous special courses in industrial safety and materials engineering.

### Licenses

Registered Safety Engineer, California #1593

### Experience

General Atomics - 1973 to present

Industrial Safety Engineer - Administers industrial safety at General Atomics, including accident statistics, hazardous work requests, safety committee development, worker's compensation reporting, year-end reporting, accident investigation of serious incidents, liaison with nuclear waste management, and coordination of industrial safety programs with Industrial Hygiene, Health Physics, Emergency Services, and Medical. Responsibilities include non-nuclear waste transportation projects and hazardous material management. Recent work as Hazardous Material/Hazardous Waste Manager includes fire department audits, team review by federal, state, and local agencies, and environment assessment by Chevron Corporation.

Safety Engineer - Reviewed hazardous work requests and developed appropriate safety measures, including hazardous chemical waste, specific processes with potential safety considerations (i.e., cryogenic, explosive atmospheric, flammable liquids, industrial hygiene, hoisting lifting.) Also

conducted system safety analysis, safety inspections. Oversaw company safety procedures. Reviewed state codes and federal regulations. Responded to emergency response fires, industrial accidents, vehicle emergencies, and occupational illnesses and accidents.

Safety Chief - Developed, implemented, and maintained comprehensive accident prevention program involving line management. Implemented controls to eliminate or minimize potential hazards (laser, high voltage microwave radiation, industrial work practices). Responsible for training and indoctrination of 70-150 employees.

Senior Engineer - As Task Engineer, responsible for development, fabrication, and installation of large electrical coils (18 feet in diameter) and patch board systems. Basic design of electrical coils including drawings and specifications (stress, electrical, cooling), design procedurement and installation of a complete coil winding facility (water heating systems, vacuum systems, winding tables, sandblasting, insulation wrapping, special power tools, copper handling, solvent cleaning). Complete fabrication of coils and vacuum potting in epoxy matrix. Electrical testing (high voltage, high current).

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### Professional Associations

Member, American Society of Safety Engineers, Research and Development Section

Member, Pacific Coast Electrical Association, Safety and Health Committee

Member, Industrial Environmental Association, San Diego, CA

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Leticia K. Alfonso, Senior Chemical Safety Engineer

### Education

M.S. Occupational Health and Safety, National University, 1987

B.S. Chemical Engineering, University of the Philippines, 1965

### Experience

In her current position as Senior Chemical Safety Engineer for General Atomics (GA), Ms. Alfonso is responsible for developing and maintaining a plant inventory of all chemicals, materials, substances, hazardous and non-hazardous, found on site; identifying any chemical material in question; obtaining Material Safety Data Sheet (MSDS) on each and every chemical material, if there is any chance that it contains a component that has the potential of being a hazardous substance; keeping all MSDS's current by reviewing and obtaining updated MSDS's periodically; notifying employees of any hazardous substance by supplying prominently displayed labels containing MSDS's for hazardous substances in that recognized work area; developing and implementing an Employee Hazard Communication Training Program; providing chemistry analysis and "know-how" to the



Hazardous Material/Waste Manager; consulting in hazardous waste disposal by performing chemical analysis and/or coordinating the acquisition of sample analyses off site; interpreting chemical results or reports to the Hazardous Waste Manager and Emergency Services Supervisor. Reviewing vendor qualifications associated with the handling, transportation, and disposal of hazardous materials and hazardous waste. Many of these tasks involve close interaction with the consulting Industrial Hygienist.

Formerly, Ms. Alfonso was a Senior Scientist with GA's Analytical Chemistry Department, responsible for an extensive analytical chemistry capability. She performed chemical analyses, both "wet" and instrumental on nuclear fuel rods, kernels, particles, industrial hygiene samples, and a wide variety of "research" samples in the form of gases, liquids, and solids, as well as materials containing uranium that ranged from depleted to fully enriched. The chemical and instrumental analyses identified the elemental and isotopic compositions of the samples. Methods utilized include conventional volumetric, gravimetric, colorimetric and combustion techniques, as well as instrumental methods such as atomic absorption spectrometry, gas and liquid chromatography, polarography, and other chemical measurement techniques. She authored several chemistry procedures. As a qualified Uranium Analyst, she represented GA in the Round Robin Analysis conducted by the Department of Energy through the New Brunswick Laboratory called the

"Safeguards Analytical Laboratory Evaluation" whose ultimate goal was to improve the quality of measurements and thereby improve the efficacy of safeguards of nuclear materials, domestically and internationally.

Ms. Alfonso innovated an existing National Brunswick Laboratory Weight Titration Method for a more accurate and more precise uranium assay in uranium oxide and uranyl nitrate.

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Lee R. Lacey, Manager, Health, Safety, and Environment  
Education

M.S. Human Resources Development, Oklahoma State University

B.S. Engineering Technology, Oklahoma State University

A.S. Bee County College

U.S. Navy Electronics Technician Class "A" School, Basic  
Nuclear Power School,

Nuclear Power Training Unit (prototype training)

Submarine School

Experience

1986 - Manager, Health, Safety, and Environment, Sequoyah  
Fuels Corporation, Sequoyah Facility. Department  
Manager for the Health, Safety, and Environment  
Department at the Sequoyah Facility. Responsible  
for oversight of the following facility programs:  
health physics, industrial safety, environmental,  
industrial hygiene, and occupational health. Serve  
as the facility Contingency Plan Coordinator.

Directly supervise the Facility Radiation Safety Officer.

- 1985-1986 Manager, Training Services, Quadrex Corporation, Tulsa, Oklahoma. Managed Quadrex's training services business. Served as a consultant in the areas of nuclear training, health physics, emergency preparedness, and regulatory compliance.
- 1983-1985 Manager of Projects, Quadrex Corporation. Managed training and field services projects for Quadrex's Tulsa Regional Office. Served as a consultant in the areas of nuclear training and emergency preparedness.
- 1981-1983 Manager, Radiological Training and Services, Quadrex Corporation. Managed the radiological training, health physics consulting, and emergency preparedness business for Quadrex's Tulsa Regional Office. Served as a consultant in the area of radiological training, regulatory compliance, and emergency preparedness.
- 1980-1981 Senior Health Physics Engineer, Quadrex Corporation. Staff consultant in the areas of health, physics and emergency preparedness.
- 1980 Reactor Health Physics Inspector, U.S. Nuclear Regulatory Commission, Region IV, Atlanta, Georgia.
- 1977-1980 Staff Health Physicist, Duke Power Company, Charlotte, North Carolina. Served on corporate



health physics staff. Areas of responsibility related: radiation exposure control, ALARA, respiratory protection, environmental radiation.

1974-1977 Administrator - Recruiter, U.S. Navy Reserve.

1966-1973 Nuclear Reactor Operator/Electronics Technician, U.S. Navy

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David R. Swaney, Manager, Quality Assurance

Education

Chemistry, Antioch College

Certified-American Chemical Society

Experience

4-86- Manager, Quality Assurance, Sequoyah Facility, Sequoyah Fuels Corporation.

1969-1986 Manager, Facility Laboratory, Sequoyah Facility, Sequoyah Fuels Corporation.

1966-1969 Supervisor, Department of Chemical Control, Mallinckrodt, Inc, St. Louis, Missouri.

1963-1966 Supervisor, Mallinckrodt Chemical, Uranium Division, St. Louis, Missouri

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Don R. Knoke, Manager, Facility Laboratory

Education

B.S. Chemistry, West Virginia University

Experience

5/86- Manager, Facility Laboratory, Sequoyah Facility,

Sequoyah Fuels Corporation.

1986 Senior Analytical Chemist, Sequoyah Facility,  
Sequoyah Fuels Corporation.

1969-1986 Supervisor, Laboratory Instruments, Sequoyah  
Facility, Kerr-McGee Corporation.

1968-1969 Chemist, Method Development, Sequoyah Facility,  
Kerr-McGee Corporation.

1966-1968 Chemist, Method Development, Amceel Plant, Celenase  
Fibers Company.

1957-1966 Chemist, Mallinckrodt Chemical Works, Uranium  
Division, Weldon Springs, Missouri.

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James H. Mestepey, Manager of Operations

Education

BS General Science (Chemistry, Physics & Mathematics) Louisiana  
State University

Experience

7/87 - Manager of Operations, Sequoyah Facility, Sequoyah  
Fuels Corporation

4/87 - 7/87 Manager, Special Projects and Process Technology,  
Sequoyah Facility, Sequoyah Fuels Corporation.

1985 - 1987 Senior Project Manager, New York State Energy  
Research and Development Authority, West Valley,  
New York.

1984 - 1985 Manager, Special Nuclear Studies, Allied  
Corporation, Barnwell, South Carolina.

1979 - 1983 Manager, Plant Engineering and maintenance,  
Allied-General Nuclear Services, Barnwell, South  
Carolina.

1977 - 1979 Manager, Design Engineering, Allied-General Nuclear  
Services, Barnwell, South Carolina.

1973 - 1977 Superintendent, UF, Facility, Allied-General  
Nuclear Services, Barnwell, South Carolina

1971 - 1973 Technical Superintendent, Allied Corporation,  
Metropolis, Illinois.

1968 - 1971 Technical Supervisor, Allied Corporation,  
Metropolis, Illinois

1966 - 1968 Process Engineer, Baton Rouge, Louisiana

1957 - 1966 Baton Rouge Developemnt Laboratory, Allied  
Corporation, Baton Rouge, Louisiana

Gary B. Jackson, Area Manager

Education

BS Industrial Technology, Northeastern State University,  
Oklahoma

### Experience

4/86 Area Manager, Sequoyah Facility, Sequoyah  
Fuels Corporation

1972 - 1986 Area Supervisor, Sequoyah Facility, Kerr-McGee Corporation

1969 - 1972 Shift Supervisor, Sequoyah Facility, Kerr-McGee Corporation



1964 - 1969 Processor, Monsanto Chemical Company

1962 - 1964 Chemical Operator, Goodyear Chemical Company

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Sam R. Fryer, Manager, Facility Engineering

Education

BS Chemical Engineeting, Massachusetts Institute of Technology

MBA Marketing Concentrate, Harvard Business School

Registered Professional Engineer in Oklahoma

Experience

8/86 - Manager, Facility Engineering. Sequoyah Facility,  
Sequoyah Fuels Corporation.

1985 - 1986 Director, Technology and Engineering, Sequoyah  
Fuels Corporation.

1980 - 1985 Manager, Planning and Analysis, Roy Huffington,  
Inc., Houston, Texas

1977 - 1980 Manager, Planning, Cities Service Company, Tulsa,  
Oklahoma.

1966 - 1977 Manager of Chemicals, Getty/Shell Oil Company,  
Tulsa, Oklahoma.

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R.A. Parker, Manager, Facility Maintenance

Education

BS Electrical Engineering, Western Michigan University

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## Experience

6/86            Manager, Facility Maintenance, Sequoyah Facility,  
                 Sequoyah Fuels Corporation.

1982 - 1986    Superintendent Prep Plant, Kerr-McGee Coal  
                 Corporation, Clovis Point Mine.

1980 - 1982    Senior Construction Engineer, Kerr-McGee Coal  
                 Corporation, Jacobs Ranch and Clovis Point Mines.

1979 - 1980    Construction Engineer, Keer McGee Coal Corporation,  
                 Jacobs Ranch and Cloris Point Mines

1978 - 1979    Developmetn and Implementation of Preventative  
                 Maintemance Program, Atlantic Richfield Company,  
                 Black Thunder Mine.

1976 - 1978    Development and Implementation of Preventative  
                 Maintenance Programs, Eveleth Mines, Thunderbird  
                 Mines.

1975 - 1976    Electrial Engineer, Hibbing Taconite Compnay,  
                 Hibbing, Minnesota.

1972-1975    Instructor, Michigan Technological University,  
                 Houghton, Michigan.

1969-1972    Electrical Engineer, Consumers Power Company,  
                 Jackson, Michigan.

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URANIUM OPERATIONS  
GORE AND HOME OFFICE  
PRO FORMA BALANCE SHEET  
AS OF 05/31/88

<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash	\$ 5,318,274.51
Accounts Receivable	
Regular	2,374,869.29
Employees & Officers	18,964.00
Inventories	
Products	3,268,292.40
Materials & Supplies	2,443,663.93
Deposits & Prepaid Expense	220,537.50
TOTAL CURRENT ASSETS	<u>13,644,331.63</u>
Long-Term Receivables	-0-
Retents	-0-
TOTAL INVESTMENTS & OTHER ASSETS	<u>-0-</u>
<u>PROPERTY, PLANT &amp; EQUIPMENT</u>	
Investments	69,430,047.06
Reserves	(44,242,433.27)
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>25,187,613.09</u>
<u>DEFERRED CHARGES</u>	
Project Costs	-0-
Other	31,878.22
TOTAL DEFERRED CHARGES	<u>31,878.22</u>
TOTAL ASSETS	<u>\$ 38,864,092.94</u> *****

<u>LIABILITIES &amp; STOCKHOLDERS EQUITY</u>	
<u>CURRENT LIABILITIES</u>	
Accounts Payable	\$ 1,716,725.16
Due Kerr-McGee	-0-
Long-Term Debt Within One Year	15,500.00
Accrued Liabilities	
Taxes Other than Income	187,363.14
Payroll	629,120.60
Other	<u>487,637.82</u>
TOTAL CURRENT LIABILITIES	<u>3,036,346.72</u>
LONG-TERM DEBTS	<u>342,500.00</u>
<u>DEFERRED CREDITS and RESERVES</u>	
Decommission and Reclamation	11,296,823.56
Other	900,745.42
Income Taxes	<u>(34,734.82)</u>
TOTAL DEFERRED CREDITS and RESERVES	<u>12,162,834.16</u>
<u>STOCKHOLDERS' EQUITY</u>	
TOTAL STOCKHOLDERS' EQUITY	<u>23,322,412.06</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>\$ 38,864,092.94</u> *****





UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

JUL 28 1988

MEETING MINUTES

ATTENDEES:

NRC

Withrop, Stimson, Putnam and  
Roberts Law Firm

L. Rouse  
J. Swift  
R. Fonner, OGC  
R. Provencher

K. Berlin  
S. Meyer

SUBJECT:

MEETING TO DISCUSS AMENDMENT APPLICATION FOR PURCHASE OF  
SEQUOYAH FUELS CORPORATION (SFC) BY GENERAL ATOMICS (GA).

MEETING SUMMARY:

On July 7, 1988, staff from NMSS's Fuel Cycle Safety Branch and a representative from the Office of General Council (OGC) met with representatives of the Withrop, Stimson, Putnam and Roberts (WSPB) Law Firm at the NRC's White Flint North Office in Rockville, Maryland. The attendees from WSPB were acting in the interest of its client, General Atomics, in obtaining NRC's suggestions regarding the content of General Atomic's application to amend Source Material License No. SUB-1' prior to its proposed purchase of SFC.

NRC staff informed the representatives of WSPB that an amendment to the license would be required if the name and/or location of the licensee will change and, more importantly, if the management structure of Sequoyah Fuels Corporation will experience a reorganization.

Staff indicated that modifications of this type would require page changes to the License Conditions section of License SUB-1010. Also, in order to cross check the qualifications of personnel inserted into positions required by the license, the application should include changes to several sections of the Safety Demonstration section of License SUB-1010. These sections include Chapter 11, Organization and Personnel, which contains the resume's of key personnel, and Chapter 9, Corporate Information, which contains descriptive information on the parent corporation, its relation to the licensee, and the history of License SUB-1010.

In addition, staff indicated that GA should ensure that all documentation and records required as part of the license currently in storage at the Kerr-McGee Center in Oklahoma City or at any other location are transferred under the control of GA/SFC to comply with current License Condition 33. Also, if the Kerr-McGee Technical Center is to be replaced as the laboratory conducting environmental and bioassay sample analyses for the licensee, GA should assure that the alternative laboratory is at least equivalent in its capabilities and commitments to quality.

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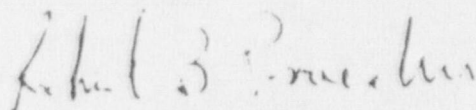
JUL 28 1988

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Also, staff indicated that due to the past volatility of the issue regarding disposal methods for raffinate sludge generated at the facility, GA should provide assurance that the existing mechanism of transporting the sludge to a uranium mill for reprocessing will continue under the same or an equivalent agreement following the purchase of SFC.

Finally, staff informed WSPB that a final decommissioning rule applicable to the Sequoyah Facility was recently published in the Federal Register, 53 FR 24018, dated June 27, 1988, and becomes effective 30 days from the date of publication. Under the new rule, the licensee would not be required to provide a proposed decommissioning funding plan or a certification of financial assurance for decommissioning until July 27, 1990. If the certification of financial assurance is provided on or before July 27, 1990, the decommissioning funding plan shall be submitted in the next application for license renewal.

WSPB requested and staff agreed that another meeting should take place to discuss draft changes to the organization of SFC management and other license modifications prior to submittal of the amendment application and request for NRC consent in accordance with 10 CFR 40.46. This meeting is tentatively planned to occur near the end of July 1988. WSPB indicated that the amendment application is tentatively scheduled to be submitted to NRC during August 1988.



Richard B. Provencher  
Uranium Fuel Section  
Fuel Cycle Safety Branch  
Division of Industrial and  
Medical Nuclear Safety, NMSD

001 7 1988

Docket No. 40-8027  
License No. SUB-1010

Ms. Aileen Meyer  
Winthrop, Stimson, Putnam & Roberts  
1155 Connecticut Avenue, N. W.  
Washington, D. C. 20036

Dear Ms. Meyer:

We have reviewed the September 16, 1988, draft letter and license amendment application related to the proposed transfer of control of Sequoyah Fuels Corporation from Kerr-McGee Corporation to Sequoyah Holding Corporation a subsidiary of General Atomics. In Enclosure 1, we have identified additional topics to be addressed in the letter. In Enclosure 2, we have identified additional revisions needed in the proposed license amendment application. Upon satisfactory response to Enclosures 1 and 2, we are prepared to issue our consent in writing for the transfer of control of the Sequoyah Fuels Corporation license from Kerr-McGee Corporation to Sequoyah Holding Corporation.

If you have any questions regarding our comments, please contact Mr. Scott Pennington of my staff at (301) 492-0693.

Sincerely,

Original Signed By:

Leland C. Rouse, Chief  
Fuel Cycle Safety Branch  
Division of Industrial and  
Medical Nuclear Safety, NMSS

Enclosures:

1. Draft letter topics
2. Draft amendment application comments

Distribution w/ enclosures

Docket 40-8027  
NMSS R/F  
SPennington(2)  
GHBidinger

PDR  
IMUF R/F  
Region IV  
RFonner, OGC

LPDR  
IMSB R/F  
PGarcia, URFO/RIV  
RWood

NRC File Center  
VLTharpe  
LCRouse

OFC: IMUF:

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NAME: SPennington:mh:

VLTharpe: GHBidinger:

RWood:

RFonner:

LCRouse:

DATE: 10/7/88

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OCT 7 1988

Enclosure 1

1. Please describe Sequoyah Fuels Corporation's contractual arrangements with the Quivira Uranium Mill in New Mexico for the continued acceptance of the plant's raffinate and fluoride sludges for uranium recovery and the viability of the contractual arrangements if the ownership of Quivira Uranium Mill were to be transferred to another party.
2. Based on the annual balance sheets and income statement provided, we have performed a financial evaluation of Sequoyah Fuels Corporation and have concluded that Sequoyah Fuels Corporation's ability to safely operate and to perform decommissioning and reclamation activities will not be impaired by the transfer of ownership. However, to demonstrate the continued financial strength of Sequoyah Fuels Corporation and the new parent company, Sequoyah Holding Corporation, both corporations should commit to the submittal of annual balance sheets and financial statements certified by corporate officers for Sequoyah Holding Corporation and Sequoyah Fuels Corporation. A statement should be provided from a Certified Public Accountant that these financial statements meet generally accepted accounting principles. Upon consent of the transfer of Sequoyah Fuels Corporation control, the first statements would be submitted for NRC review. Thereafter, statements would be submitted annually until Sequoyah Fuels Corporation files a decommissioning funding plan in accordance with Title 10, Code of Federal Regulations, Part 40, Section 40.36 as published in the Federal Register on June 27, 1988.
3. Until Sequoyah Fuels Corporation complies with Section 40.36(e) of the new decommissioning rule, Sequoyah Fuels Corporation should commit to maintaining the reserves for decommissioning and reclamation expenses and describe how Sequoyah Fuels Corporation intends to fund the reserves, if necessary.
4. Sequoyah Fuels Corporation should provide a commitment to submit, at the time of submittal of the renewal application for License No. SUB-1010 scheduled to expire September 30, 1990, a decommissioning funding plan as described in Section 40.36.

OCT 7 1988

## Enclosure 2

With regard to the draft application, the following comments are provided:

### ° Chapter 1

Page 1. 1-1 - delete "Uranium Conversion Plant at the" from the last line.

Page 1. 1-9 - delete "Waste Burial" section from this page.

### ° Chapter 2

Page 1. 2-4, second paragraph, last sentence - the findings and recommendations should be reported to the ALARA committee rather than to the committee's Chairman who is also the Corporate Manager of Health Physics.

Pages 1. 2-4 and 2-7 - Condition No. 29 has been incorporated on these two pages. The intent of this condition is to require the presence and participation of management in the areas of health and safety and training in the certification process. Page 1. 2-8 indicates that the new position of Manager of Procedures and Training will be responsible for managing the facility's procedures system and training program. To remain consistent with the intent of Condition No. 29, replace the Manager, Administration and Services, with the Manager of Procedures and Training and incorporate the revision where appropriate.

Page 1. 2-11 - we question the minimum experience requirements for the positions of Corporate Manager, Health Physics, and Manager of Industrial Safety. Specifically, these positions are responsible for developing corporate health and safety standards and procedures and for conducting investigations of incidents and emergency situations involving radiation. We believe that these individuals should have 5 years of pertinent experience.

Page 1. 2-15 - the incorporation of Condition No. 28 should also include the commitment required of the licensee by the first sentence of the condition.

Page 1. 2-24 - in the last paragraph, replace "Corporate staff" with the Corporate Manager, Licensing, Safety and Nuclear Compliance.

### ° Chapter 5

Page 1. 5-3 - Section 5.1.3, "Contaminated Equipment and Materials Disposal," should incorporate directly by reference the "Comprehensive Radiological Solid Waste Management Plan" dated

OCT 7 1988

November 13, 1986, or be revised in its entirety to incorporate the commitments contained in the "Plan" for solid waste handling and disposal. In either case, it should be stated that contaminated wastes from the  $UF_6$  to  $UF_4$  reduction operations will be handled in a manner similar to the wastes from the conversion plant.

Chapter 10

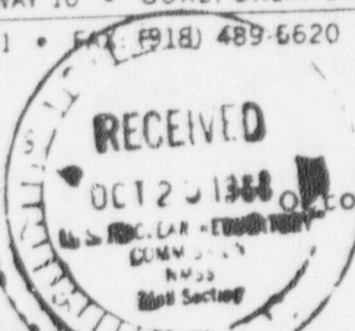
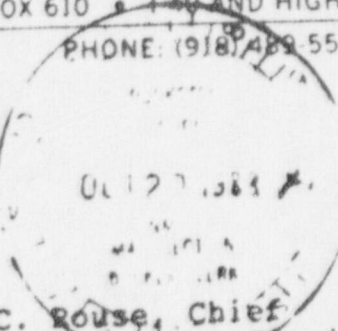
Page 11. 10-12a - delete the words "or disposal by deep well injection."



## SEQUOYAH HOLDING CORPORATION

P.O. BOX 610 • 140 AND HIGHWAY 10 • GORE, OKLAHOMA 74435

PHONE: (918) 489-5511 • FAX: (918) 489-5620



October 18, 1988

Mr. Leland C. Rouse, Chief  
U.S. Nuclear Regulatory Commission  
Fuel Cycle Safety Branch  
Division of Industrial and Medical Nuclear Safety  
Office of Nuclear Material Safety & Safeguards  
Washington, DC 20555

Re: License SUB-1010; Docket 40-8027  
Transfer of Control of Licensee

Dear Mr. Rouse:

Sequoyah Holding Corporation ("Holding"), a corporation organized under the laws of the State of Delaware, hereby seeks the consent of the Nuclear Regulatory Commission ("NRC"), pursuant to the Atomic Energy Act of 1954 and the regulations promulgated thereunder, to a transfer of control of Sequoyah Fuels Corporation ("Sequoyah"), a corporation organized under the laws of the State of Delaware. Sequoyah presently is a wholly-owned subsidiary of Kerr-McGee Corporation ("Kerr-McGee"), a corporation organized under the laws of the State of Delaware. Sequoyah is the present holder of NRC Source Material License Number SUB-1010 (the "License"). Holding has entered into an acquisition agreement with Kerr-McGee, pursuant to which, subject to the approval of the NRC, Holding will acquire all of the outstanding stock of Sequoyah.

Holding is a wholly-owned subsidiary of General Atomics ("GA"), a corporation organized under the laws of the State of California, which is itself a wholly-owned subsidiary of General Atomic Technologies Corporation ("GATC"), a corporation organized under the laws of the State of Wyoming. The capital stock of GATC is owned 79.5% by Tenaya Corporation, a corporation organized under the laws of the State of Delaware, 20.01% by Linden S. Blue, a United States citizen and .49% by James N. Blue, a United States citizen. Tenaya is a holding company for investments of the family of James N. Blue. Mr. Blue owns 60.6% of the voting stock of Tenaya, his wife Anne P. Blue, a citizen of the Federal Republic of Germany, owns 18.2%, and 21.2% is held in trust for the benefit of their children. Holding is not

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owned, controlled or dominated by an alien, a foreign corporation or a foreign government. Further information concerning Holding is provided in Appendix A.

Holding has simultaneously filed, with the consent of Kerr-McGee and Sequoyah Fuels Corporation, an application for an amendment to the License seeking to delete references to Sequoyah's current parent company, Kerr-McGee, to reflect the new ownership of Sequoyah. As reflected in the letters from Mr. Randolph and Mr. Luke attached to the application for amendment, Sequoyah and Kerr-McGee consent to this request for consent to a transfer of control of Sequoyah.

Holding will acquire Sequoyah which owns and operates the Sequoyah facility situated near Gore, Oklahoma and consists of a uranium hexafluoride conversion facility and a depleted UF<sub>4</sub> facility (the "Sequoyah Facility") and the ranches in the vicinity owned by Sequoyah. Holding will not acquire the Cimarron Facility, the Wyoming properties and other properties which have been owned by Sequoyah and which have been transferred to other Kerr-McGee entities.

The Sequoyah Facility will continue to be operated in the same manner as it has been operated; nothing will change in the manner in which Sequoyah, as the licensee, conducts its operations and discharges its obligations under the License. No major changes are anticipated in the on-site operating and management personnel of Sequoyah, other than that the President of Sequoyah will no longer be an employee of Kerr-McGee. As set forth in Appendix A, the President of both Sequoyah and Holding will be Beau Graves, Jr. Mr. Graves is also a Senior Vice President and Director of GA.

The only other changes will be in the ownership of the stock of Sequoyah and the directors of Sequoyah as set forth in Appendix A. The oversight responsibilities and obligations of off-site personnel who are currently employees of Kerr-McGee will be assumed by employees of GA, as set forth in the application for an amendment to the License, filed simultaneously with this request for consent.

Sequoyah currently has numerous contracts with a number of utilities and other domestic and foreign corporations. These contracts will remain in place following the acquisition and will be the basis of Sequoyah's ability to finance its on-going operations and to comply with the safety and other requirements of the License. Holding will submit to the NRC copies of audited financial statements for itself and Sequoyah within 90 days of December 31, 1988, the close of Holding's and Sequoyah's fiscal years. Holding and Sequoyah will submit such financial statements to the NRC within 90 days of the close of each fiscal year, until the



time that Sequoyah files with the NRC a decommissioning funding plan pursuant to 10 C.F.R. § 40.36 (as published in the Federal Register on June 27, 1988). The License is currently scheduled to expire September 30, 1990. Sequoyah will submit to the NRC a decommissioning funding plan pursuant to 10 C.F.R. § 40.36 at the time it submits a renewal application for the License.

Sequoyah and Quivira Mining Company ("QMC") have executed a Source Material Toll Milling Contract, dated September 28, 1987 (the "Contract"), which provides that the Quivira Uranium Mill continue to accept the Sequoyah Facility's raffinate and fluoride sludges for uranium recovery. The Contract remains in effect through December 1, 1992, and provides for year by year extensions for so long as QMC is allowed to process source material. Sequoyah may terminate the Contract at any time; however, QMC may not terminate the Contract until December 1, 1992, and may do so only if QMC elects to permanently cease the operation of the mill. If QMC terminates the Contract, QMC will leave in place such portion of the mill facilities sufficient to handle Sequoyah's anticipated processing requirements and the parties will mutually agree upon a rental rate for the continued use of those facilities. The Contract and all its provisions shall inure to the benefit of, and shall be binding upon, the respective parties, their successors and assigns and, except for the sale or transfer of the mill, neither party can assign the Contract without the written consent of the other.

Sequoyah has established a policy of accruing decommission and reclamation expense for specific waste disposal projects and decommissioning activities, and intends to continue this policy upon transfer of ownership. These accruals are made based on units of production or a fixed monthly charge depending on the nature of the account. The sum of the balance of these accounts appears on Sequoyah's balance sheet as a Decommission and Reclamation Reserve. As work is performed on a specific project for which a reserve has been established, the related expense is funded from working capital and the balance of the reserve account is reduced. In the unlikely event the Sequoyah Facility would be required to decommission prematurely, the related cost would be funded from working capital.

Holding requests that the NRC confirm that, at the time an amendment to the License is issued pursuant to the application submitted on the same date as this letter, Kerr-McGee will be released from its obligation to provide the NRC assurance of proper decommissioning and reclamation of the Sequoyah Facility, and, that in accordance with that release, the third paragraph in Chapter 7.5 will be deleted.



After the NRC has consented to the transfer of control of Sequoyah and has issued an amendment to the License, the transaction will be consummated. Holding will immediately notify the NRC of the closing when it occurs.

SEQUOYAH HOLDING CORPORATION

By Reau Graves Jr  
President

STATE OF OKLAHOMA   )  
                              )  
COUNTY OF SEQUOYAH   )

On this 11 day of October 1988, before me,  
                               a Notary Public for the State of  
Oklahoma, personally appeared Reau Graves, Jr. who being duly  
sworn, stated that he is President of Sequoyah Holding  
Corporation, that he has read the foregoing letter to Leland  
C. Rouse and that the information and statements therein are  
true and correct to the best of his knowledge and belief.

                                
Notary Public

## Appendix A

Sequoyah Holding Corporation  
Sequoyah Facility  
I-40 and Highway 10  
Gore, Oklahoma 74435

- A. Sequoyah Holding Corporation is incorporated under the laws of the State of Delaware and was formed for the purpose of acquiring Sequoyah. The names, addresses and citizenship of its directors and principal officers are as follows:

<u>Name</u>	<u>Citizenship</u>	<u>Title</u>	<u>Address</u>
Reau Graves, Jr.	USA	President Director	Sequoyah Holding Corp. I-40 and Highway 10 Gore, OK 74435
John E. Jones	USA	Vice-President Director	10955 John Jay Hopkins Dr. San Diego, CA 92121
James R. Edwards	USA	Secretary Director	10955 John Jay Hopkins Dr. San Diego, CA 92121
Max D. Kemp	USA	Treasurer	10955 John Jay Hopkins Dr. San Diego, CA 92121
Brenda B. Dawson	USA	Assistant Secretary	10955 John Jay Hopkins Dr. San Diego, CA 92121
Anthony G. Navarra	USA	Assistant Treasurer	10955 John Jay Hopkins Dr. San Diego, CA 92121

- B. After the completion of Sequoyah Holding Corporation's acquisition of the stock of Sequoyah Fuels Corporation, the Board of Directors and officers of Sequoyah Fuels Corporation will be:

<u>Name</u>	<u>Citizenship</u>	<u>Title</u>	<u>Address</u>
Reau Graves, Jr.	USA	President Treasurer Director	Sequoyah Holding Corp. I-40 and Highway 10 Gore, OK 74435
James R. Edwards	USA	Secretary Director	10955 John Jay Hopkins Dr. San Diego, CA 92121
Brenda B. Dawson	USA	Assistant Secretary	10955 John Jay Hopkins Dr. San Diego, CA 92121
John E. Jones	USA	Director	10955 John Jay Hopkins Dr. San Diego, CA 92121

DUCKET NO. 40-8027

CONTROL NO. 24853

DATE OF DOC October 18, 1988

DATE RCVD October 20, 1988

FCTC ☒ PDR ☒

FCAI ☐ LPDR ☒

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SAFEGUARDS ☐

OTHER ☐

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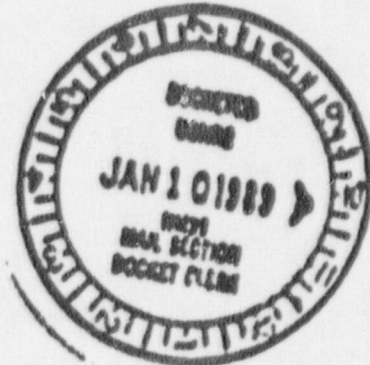
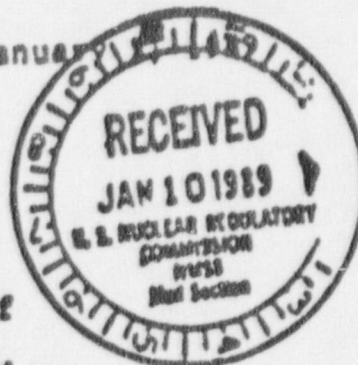
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40-8027  
PDR/LDR

**SEQUOYAH FUELS CORPORATION**  
P.O. BOX 610 • GORE, OKLAHOMA 74435

January 10, 1989

Certified Mail  
Return Receipt Requested



Mr. Leland C. Rouse, Chief  
Fuel Cycle Safety Branch  
Division of Industrial and  
Medical Nuclear Safety, NMSS  
U. S. NUCLEAR REGULATORY COMMISSION  
Washington, D.C. 20555

RE: License SUB-1010; Docket No. 40-8027  
Official Notification - Transfer of  
Control of Sequoyah Fuels Corporation

Dear Mr. Rouse:

Your letter to Mr. Beau Graves, dated October 27, 1988 provided consent to Sequoyah Holding Corporation to acquire control of Sequoyah Fuels Corporation (SFC) from Kerr-McGee Corporation, subject to certain stipulated conditions including the purchase of the outstanding stock of SFC. Your letter further requested that NRC be notified when the transaction was consummated.

The purpose of this letter is to confirm the telephonic notification of November 4, 1988 that the transfer of control of Sequoyah Fuels Corporation, including the stock transfer, was officially consummated on that date.

Should you have any questions concerning this information, please contact me at your earliest convenience.

Sincerely,

*Scott P. Knight*

Scott P. Knight  
Vice President  
Administration

SPK:mv

cc: R. D. Martin, Regional Administrator  
NRC - Region IV

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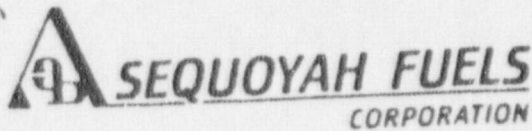
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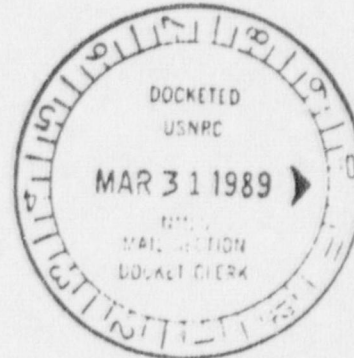
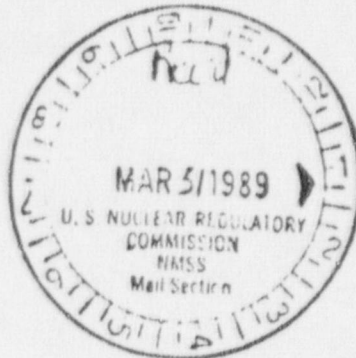
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RE: 40-4027  
PDR/LPDR Lt  
Affidavit



March 28, 1989

CONFIDENTIAL



Mr. Leland C. Rouse, Chief  
Fuel Cycle Safety Branch  
Division of Industrial and  
Medical Nuclear Safety, NMSS  
U.S. NUCLEAR REGULATORY COMMISSION  
Washington, D.C. 20555

RE: License SUB-1010; Docket No. 40-8027  
SFC and SHC Financial Statements

Dear Mr. Rouse:

Prior to the transfer of ownership last November, Sequoyah Fuels Corporation (SFC) committed to provide NRC with a financial statement by March 31, 1989. Please find attached financial statements for Sequoyah Fuels Corporation and its parent, Sequoyah Holding Corporation (SHC).

SFC requests that this information be treated as proprietary information under the provisions of 10 CFR 2.790. Both SFC and SHC are privately held corporations and the attached financial statements contain sensitive financial information.

Should you have questions concerning this material, please contact me at your earliest convenience.

Sincerely,

*Scott P. Knight*

Scott P. Knight  
Vice President  
Administration

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Enclosures as stated

cc: File

*vp*

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Hwy 10 & I-40

P.O. Box 610

Gore, Oklahoma 74435

Telephone (918) 489-5511

Facsimile (918) 489-5620

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*BT*



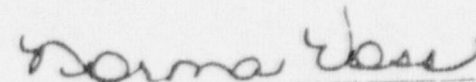
AFFIDAVIT OF  
Scott P. Knight

I, Scott P. Knight, Vice President, Administration of Sequoyah Fuels Corporation, do hereby affirm and state:

1. I am authorized to execute this affidavit on behalf of Sequoyah Fuels Corporation and Sequoyah Holding Corporation.
2. The affiant is an officer of the Licensee, Sequoyah Fuels Corporation, a wholly-owned subsidiary of Sequoyah Holding Corporation which is itself a wholly-owned subsidiary of General Atomics, each of which is a privately-held corporation.
3. This affidavit is submitted under the provisions of 10 CFR § 2.790 in order to withhold the enclosed financial statements of Sequoyah Fuels Corporation and Sequoyah Holding Corporation from disclosure or publication.
4. Subject documents constitute confidential financial information of privately-held corporations which have been held in confidence by the owner and are customarily held in such confidence. These documents have been transmitted to the Commission in confidence, and are not available in public sources. Public disclosure would create substantial harm to the owner by providing detailed financial information to its competitors and other parties whose interests may be adverse to the owner.

  
Scott P. Knight

Subscribed and Sworn to me  
this 28<sup>th</sup> day of March, 1989.

  
Notary Public  
My Commission Expires: 12-1-92

MAK 30 1989

Docket No. 40-8027  
License No. SUB-1010  
Amendment No. 23

Sequoyah Fuels Corporation  
ATTN: Mr. Scott P. Knight  
General Manager  
P.O. Box 610  
Gore, Oklahoma 74435

Gentlemen:

In accordance with your letter dated January 27, 1989, and pursuant to Title 10, Code of Federal Regulations, Part 40, Source Material License No. SUB-1010 is hereby amended to delete the special vegetation monitoring program required by Condition 13. In addition, the deletion of Conditions 12, 14, and 16 is discussed in the accompanying Safety Evaluation Report, and Condition 21 was discussed in a letter dated January 24, 1989. Conditions 12, 14, 16, and 21 are hereby deleted.

All other conditions of your license shall remain the same.

If you have any questions regarding this matter, please contact Ms. Merri Horn of my staff on (301) 492-0606.

Enclosed are copies of the revised License No. SUB-1010 and our Safety Evaluation Report.

FOR THE NUCLEAR REGULATORY COMMISSION

Original Signed By

Leland C. Rouse, Chief  
Fuel Cycle Safety Branch  
Division of Industrial and  
Medical Nuclear Safety, NMSS

Enclosures:

1. Revised License No.  
SUB-1010
2. Safety Evaluation Report

Distribution w/encls.

Docket No. 40-8027

NMSS R/F  
SPennington  
RGramann, SGIB  
GHBidinger

PDR  
IMUF R/F  
CRobinson  
SHO  
MHorn

LPDR  
IMSB R/F  
Region IV  
LCRouse  
CNSmith, SGIB

NRC File Center  
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PGarcia, IIRFO/RIV  
DWeiss, LFMB

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## MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954 as amended, the Energy Reorganization Act of 1974 (Public Law 93-438) and Title 10 Code of Federal Regulations, Chapter I, Parts 40, 31, 32, 33, 34, 35, 40 and 70 and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer by product source, and special nuclear material designated below, to use such material for the purpose(s) and at the place(s) designated below, to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954 as amended, and is subject to all applicable rules, regulations and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee		3 License number	SUB-1010 Amendment No. 23
1 Sequoyah Fuels Corporation		4 Expiration date	September 30, 1990
2 Sequoyah Facility I-40 and Highway 10 Gore, Oklahoma 74435		5 Docket or Reference No	40-8027
6 Byproduct, source, and/or special nuclear material	7 Chemical and/or physical form	8 Maximum amount that licensee may possess at any one time under this license	

Source

Any form

20 million MTU

9. Authorized Use: For use in accordance with the statements, representations, and conditions contained in Chapters 1 through 8 of the license renewal application dated August 23, 1985; supplements dated January 24, 1985; August 20, September 3, September 26, November 13, December 9, and December 19, 1986; February 26, May 11, June 4, September 15 (submitted by letter dated September 17, 1987), September 25 (submitted by letter dated September 29, 1987), September 29, November 6 (submitted by letter dated November 23, 1987), November 6 (submitted by letter dated September 21, 1988), November 30, December 3, and December 7, 1987 (submitted by letter dated December 28, 1987); March 4, March 14, March 31, July 12, July 18, and October 18, 1988, and February 28, 1989; two letters dated December 19, 1985, and letters dated March 25, and May 22, 1987.
10. Authorized Place of Use: The licensee's existing facilities at Gore, Oklahoma.
11. The licensee shall by April 20, 1986, prepare and submit to the Fuel Cycle Safety Branch the following reports. These reports shall contain sufficient detail and analysis to allow an independent review and shall contain licensee commitments for the actions described.
- A report detailing handling procedures for product cylinders containing liquid UF<sub>6</sub>. The report shall include a detailed analysis of each step in handling of hot cylinders and identify the possible scenarios which could result in cylinder rupture. The report shall also provide an assessment of the modifications and actions which could be taken to reduce the potential for a UF<sub>6</sub> release and justify the procedures being used.
  - A report detailing measures and actions to mitigate the effects of a UF<sub>6</sub> release. The report shall deal with the potential release of material within the facility and outside of the facility.



MATERIALS LICENSE  
SUPPLEMENTARY SHEET

License number

SUB-1010 Amendment No. 23

Docket or Reference number

60-8027

MAR 30 1989

12. Deleted.

13. Deleted.

14. Deleted.

15. Deleted.

16. Deleted.

17. The licensee shall conduct a comprehensive soil/sediment radiological survey to determine the extent of uranium accumulation along the length of the effluent stream (001), at the confluence, upstream and downstream of the Illinois River, and along the intermittent runoff areas identified in the submittal for Condition 15 dated December 19, 1985, relating to the surface water monitoring and contamination mitigation program. The results of this survey and any recommendations for mitigation shall be reported to NRC within 12 months from the date of the renewal of the license.

18. The licensee shall submit for NRC review and approval the plan and criteria for decommissioning Pond No. 2 upon the completion of sludge removal from Pond No. 2.

19. The licensee shall maintain a spare pond having capacity equal to or greater than Pond No. 5, unless the licensee's deep well injection plan has been approved.

20. At the end of plant life, the licensee shall decontaminate and decommission the facility so that it can be released for unrestricted use.

21. Deleted.

22. Deleted.

23. The licensee shall use the printout capability of the cylinder filling scales to produce a record of final cylinder weight prior to removal of the cylinder from the cylinder filling area. This record shall be attached to the cylinder status sheet for the cylinder and shall be made part of the permanent record for that cylinder at the facility.

24. The licensee shall implement a method to "tamper safe" UF<sub>6</sub> cylinder valves. UF<sub>6</sub> cylinders shall be "tamper safe" on or before October 1, 1988.

25. Deleted.

26. The licensee shall, prior to heating any cylinder containing UF<sub>6</sub>, verify the amount of UF<sub>6</sub> in the cylinder using the accountability scale. A printout of the weight shall be attached to the cylinder status sheet.

MATERIALS LICENSE  
SUPPLEMENTARY SHEET

License number

SUB-1010 Amendment No. 23

Docket or Reference number

40-R027

11/11/88

27. Deleted.

28. Deleted.

29. Deleted.

30. The licensee shall provide a comprehensive monitoring program for those employees exposed to uranium during the January 4, 1986, incident. At a minimum, the monitoring program shall consist of the following:

- a. Semimonthly quantitative urine uranium bioassay.
- b. Semimonthly urinalysis for physiologic parameters including specific gravity, pH, protein, ketones, blood, and nitrate presence. A microscopic examination of the urine for the presence of formed elements such as casts and cells shall also be performed.
- c. Semiannual pulmonary function testing.
- d. Annual routine physical examinations.

A report of the findings of this study, including pertinent data allowing an independent analysis of results, shall be submitted to the NRC on or before July 1, 1988.

31. Deleted.

32. Deleted.

33. Deleted.

34. The licensee shall inform the NRC Region IV Office in writing of any violation of the National Pollutant Discharge Elimination System (NPDES) permit or changes in the permit, within 10 days of the determination of the event.

35. Deleted.

36. No cylinder shall be heated in an autoclave unless the over-pressure sensor/steam interlock shutoff system is operable.

37. Pages 6-1 and 6-2 of the revised amendment application, dated November 5, 1986, are hereby incorporated as additional pages to Chapter 6, License Conditions, SUB-1010.

38. Deleted.

39. The licensee shall verify that all telephone numbers listed in its Radiological Contingency Plan are accurate during each major exercise of on-site personnel required by the Radiological Contingency Plan.



MATERIALS LICENSE  
SUPPLEMENTARY SHEET

License number

NRC-1010 Amendment No. 14

Docket or Reference number

40-80117

MAK JUL 1983

40. The licensee shall maintain the level of staffing outlined below whenever DUF<sub>6</sub> to DUF<sub>4</sub> operations are being conducted. The licensee shall report to the NRC any significant change in the duties of the staff within 30 days of that change, and shall not make changes which reduce the number of persons assigned to the DUF<sub>6</sub> to DUF<sub>4</sub> facility without prior NRC approval.
- A shift supervisor with responsibilities for the DUF<sub>6</sub> to DUF<sub>4</sub> facility shall be present during each shift. This individual shall devote 80 to 90 percent of the shift time to the DUF<sub>6</sub> to DUF<sub>4</sub> facility. For purposes of compliance with this condition, the shift supervisor may temporarily substitute for the control room operator identified in paragraph b or the chemical operator identified in paragraph c.
  - A control room operator whose sole responsibility is the operation of the DUF<sub>6</sub> to DUF<sub>4</sub> facility shall be continually present in the control room during each shift.
  - A chemical operator with responsibilities for observation and operation of the facility in coordination with the control room operator shall be continually present in the DUF<sub>6</sub> to DUF<sub>4</sub> facility area during each shift.
  - A chemical operator shall be present as required to perform product drumming.
  - A cylinder handling yard crew shall be present as required to handle DUF<sub>6</sub> cylinders, including the loading of cylinders into the autoclaves.
41. The licensee's President and General Manager shall each spend at least one full workday each month at the facility while the DUF<sub>6</sub> to DUF<sub>4</sub> process is operational.
42. Deleted.
43. Deleted.
44. The licensee shall analyze the samples from the dust collection exhaust stack for fluoride.
45. The licensee shall ship any DUF<sub>4</sub> that is not suitable for sale or recycle to an authorized facility for disposal.
46. Deleted.
47. Deleted.
48. Deleted.
49. Deleted.



MATERIALS LICENSE  
SUPPLEMENTARY SHEET

License number  
SUB-1010 Amendment No. 14  
Docket or Reference number  
40-8017

50. Autoclave internal steam pressure shall not exceed 6 PSIG during controlled heating of a UF<sub>6</sub> cylinder weighing in excess of the applicable maximum fill limit specified in ORO-651, Revision 5, September 1987.
51. For Model 48G cylinders containing depleted uranium hexafluoride, the excess fill weight of 500 pounds authorized by Chapter 6, License Conditions, Special Process Commitment No. 16, page 1.6-3, of License SUB-1010 shall be applicable to the ORO-651, Revision 5, September 1987, maximum fill weight of 26,840 pounds. The excess fill weight of 500 pounds shall not be applicable to the ORO-651 maximum fill weight of 28,000 pounds.
52. The licensee shall submit a decommissioning funding plan as described in Section 40.36 of 10 CFR Part 40 at the time of the submittal of the renewal application.

FOR THE NUCLEAR REGULATORY COMMISSION

Original Signed By

Date: MAR 30 1989

By: Leland C. Rouse  
Division of Industrial and  
Medical Nuclear Safety, NMSS  
Washington, DC 20555

*Handwritten:* LF (3/30/89)

MAK J U 1989

DOCKET NO: 40-8027  
LICENSEE: Sequoyah Fuels Corporation (SFC)  
Gore, Oklahoma  
SUBJECT: SAFETY EVALUATION REPORT, LICENSE AMENDMENT APPLICATION DATED  
JANUARY 27, 1989, RE DELETION OF VEGETABLE MONITORING

### Background

At the time of the license renewal in 1985, the staff was concerned about elevated uranium concentrations in vegetation around the SFC site. The data exhibited inconsistencies and samples often exceeded the 2.5 microgram per gram action level for uranium. In order to provide site-specific data on edible food crops, SFC was required to conduct a comprehensive vegetation monitoring program to provide additional information for the radiological assessment for the ingestion pathway. By letter dated January 27, 1989, SFC requested that this program requirement (Condition 13) be deleted from the SFC license. After staff identified several errors and inconsistencies in the data presentation, SFC submitted a corrected report on March 3, 1989.

Several license conditions required SFC to submit reports to the NRC. Since SFC has submitted these reports, the status of those conditions needs to be clarified. The status of Conditions 12, 14 and 16 is discussed below.

### Discussion

For the past 3 years, SFC has maintain a garden plot located approximately 2,800 feet northeast of the main process building and approximately 700 feet east of the nearest resident. Eleven vegetable varieties were planted representing the major classes of food crops grown commonly in home gardens. Planting rates, times, and other cultural practices followed recommendations and guidelines of the Oklahoma State University Extension Service. Edible portions of each vegetable variety were harvested at the proper growth stage for consumption. For comparison, specimens of identical vegetable varieties were purchased from local food markets. Analyses were performed for moisture content and uranium, thorium, and radium concentrations.

The data provided by SFC was compiled by NRC staff in the following tables and charts for the concentrations of natural uranium, Ra-226, and Th-230 for each of the 11 vegetable varieties. Each table compares by year the concentration contained in the produce grown in the SFC garden and that bought at local markets. The SFC concentrations are higher for some vegetables, and the local concentrations are higher for others. The small differences in concentrations in the SFC and local produce are insignificant. The annual average concentration for SFC and local produce is compared in the following charts for uranium, radium, and thorium. For the past 2 years, the average values for the local market produce have actually been higher than the average values for the SFC grown produce.

8904140217 870330  
FDR ADOCK 04008027  
C PDC

740.

MAR 30 1989

RA-226 pci/g

	1986		1987		1988	
	SFC	LOCAL	SFC	LOCAL	SFC	LOCAL
RADISH	0.0600	0.0600	0.0700	0.1200	0.0280	0.0330
POTATOE	0.0020	0.0070	0.0337	0.0230	0.0160	0.0160
CUCUMBER	0.0020	0.1400	0.0500	0.0500	0.0130	0.0340
TOMATO	0.0140	0.0400	0.0430	0.0460	0.0090	0.0160
SPINACH	0.2950	0.0200	0.0537	0.1950	0.0240	0.0330
CABBAGE	0.0400	0.0350	0.0485	0.0285	0.0130	0.0120
ONION	0.0400	0.1400	0.0650	0.0455	0.0690	0.1050
GREEN BEANS	0.0030	0.0300	0.0367	0.0670	0.0220	0.0220
PEAS	0.0260	0.0130	0.0350	0.0065	0.0050	0.0040
CORN	0.0010	0.0080	0.0267	0.0200	0.0620	0.0070
OKRA	0.0100	0.0150	0.0218	0.0240	0.0300	0.0370

TH-230 pci/g

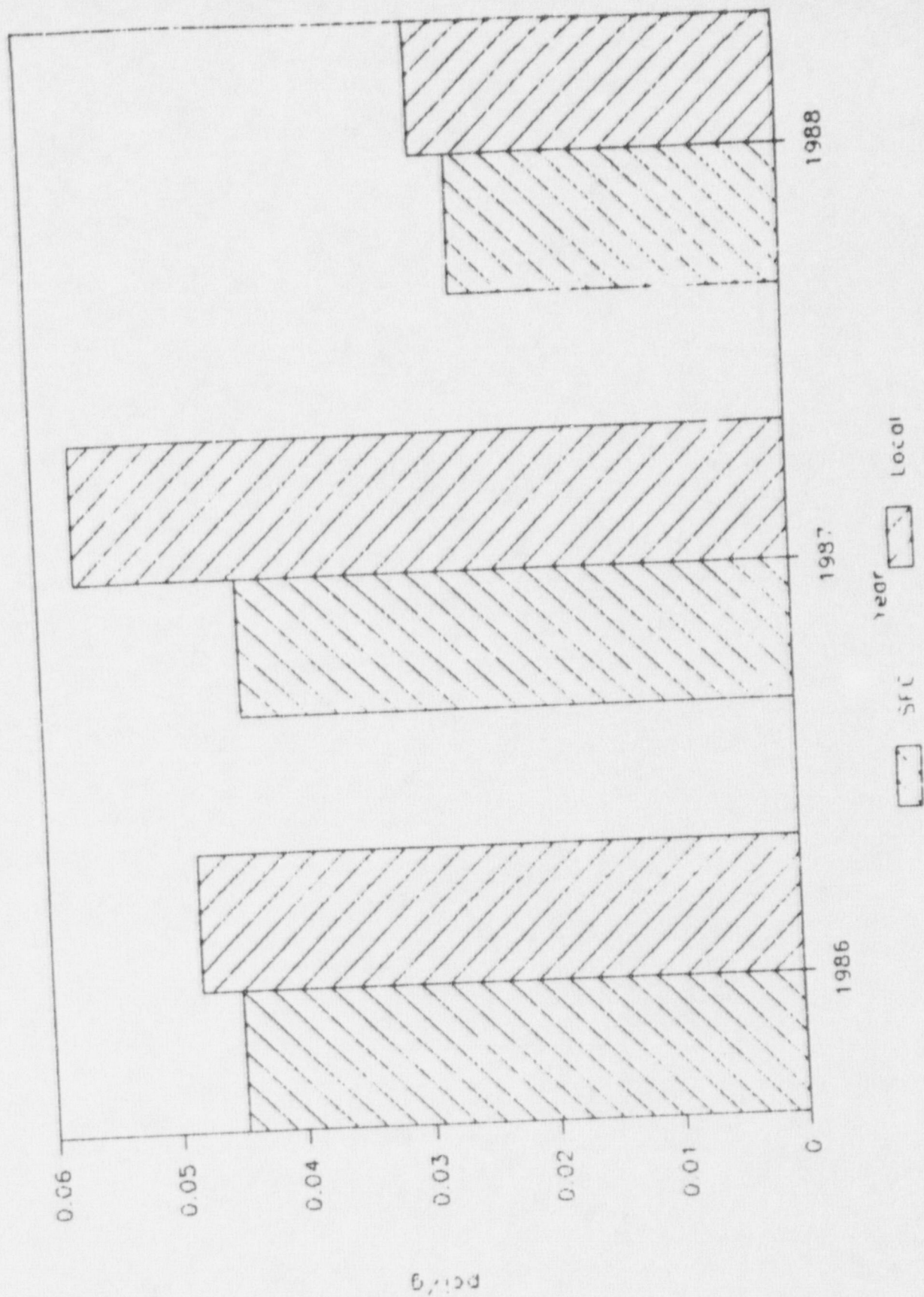
	1986		1987		1988	
	SFC	LOCAL	SFC	LOCAL	SFC	LOCAL
RADISH	0.1000	0.0340	0.0225	0.0040	0.0110	0.0130
POTATOE	0.0060	0.0165	0.0153	0.0325	0.0020	0.0030
CUCUMBER	0.0040	0.0390	0.0120	0.0100	0.0040	0.0070
TOMATO	0.0018	0.0110	0.0048	0.0040	0.0030	0.0010
SPINACH	0.2250	0.0260	0.0092	0.4800	0.0160	0.0150
CABBAGE	0.0050	0.0200	0.0063	0.0020	0.0030	0.0020
ONION	0.0040	0.0100	0.0103	0.0025	0.0040	0.0050
GREEN BEANS	0.0080	0.0205	0.0035	0.0040	0.0020	0.0020
PEAS	0.0020	0.0010	0.0050	0.0170	0.0020	0.0020
CORN	0.0050	0.0045	0.0192	0.0245	0.0040	0.0020
OKRA	0.0120	0.0350	0.0068	0.0015	0.0030	0.0010

U-NAT pci/g

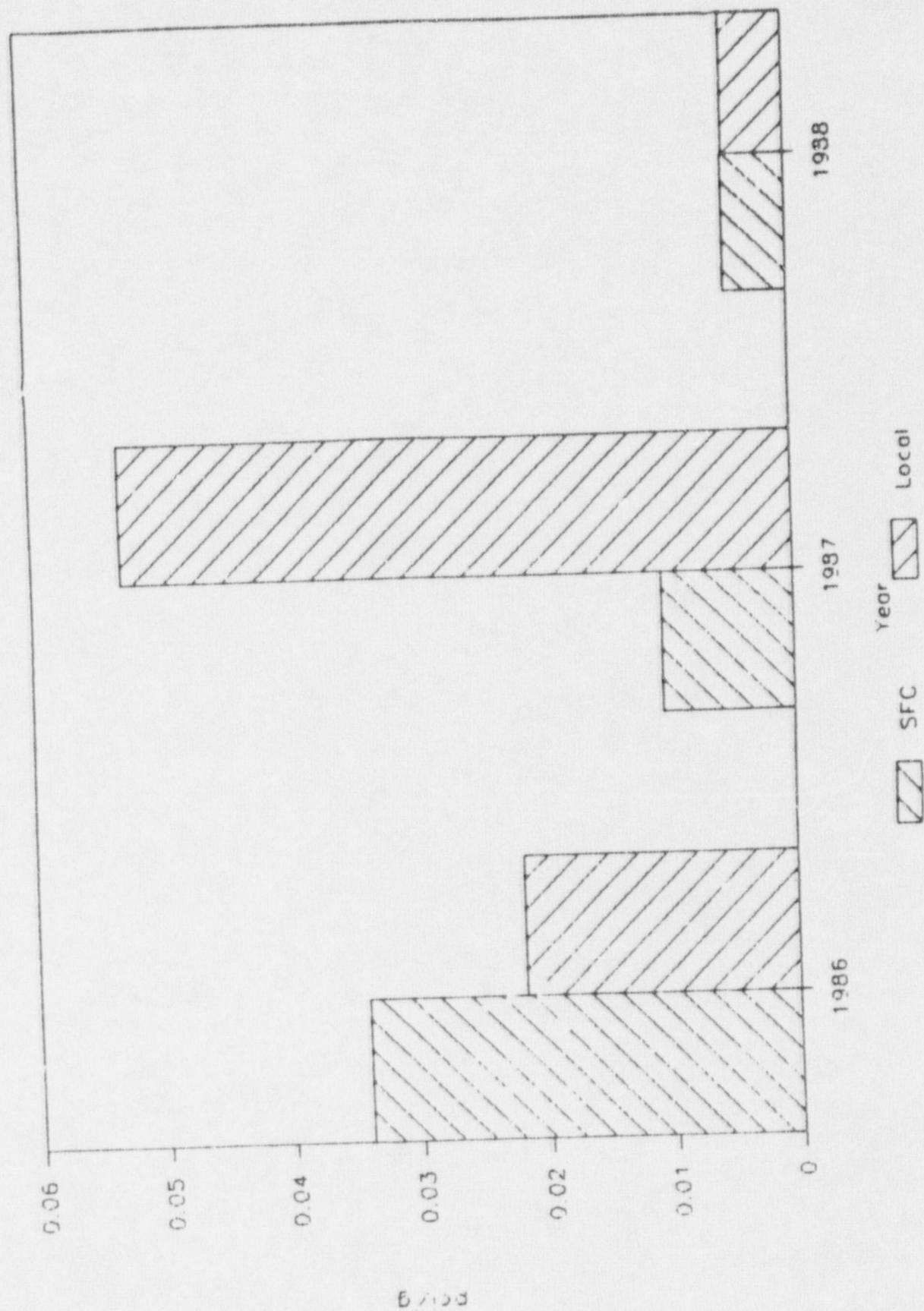
	1986		1987		1988	
	SFC	LOCAL	SFC	LOCAL	SFC	LOCAL
RADISH	0.2300	0.0600	0.0615	0.0115	0.0244	0.0264
POTATOE	0.0070	0.0070	0.0425	0.0185	0.0041	0.0088
CUCUMBER	0.0200	0.0100	0.0130	0.0330	0.0102	0.0467
TOMATO	0.0300	0.0400	0.0223	0.0097	0.0034	0.0061
SPINACH	0.5750	0.0400	0.1102	0.2680	0.0548	0.0474
CABBAGE	0.0200	0.0135	0.0170	0.0155	0.0047	0.0047
ONION	0.0100	0.0150	0.0290	0.0210	0.0467	0.0481
GREEN BEANS	0.0100	0.0400	0.0125	0.0150	0.0068	0.0095
PEAS	0.0500	0.0250	0.0097	0.0115	0.0034	0.0047
CORN	0.0100	0.0085	0.0070	0.0090	0.0068	0.0041
OKRA	0.0100	0.0250	0.0130	0.0045	0.0081	0.0068



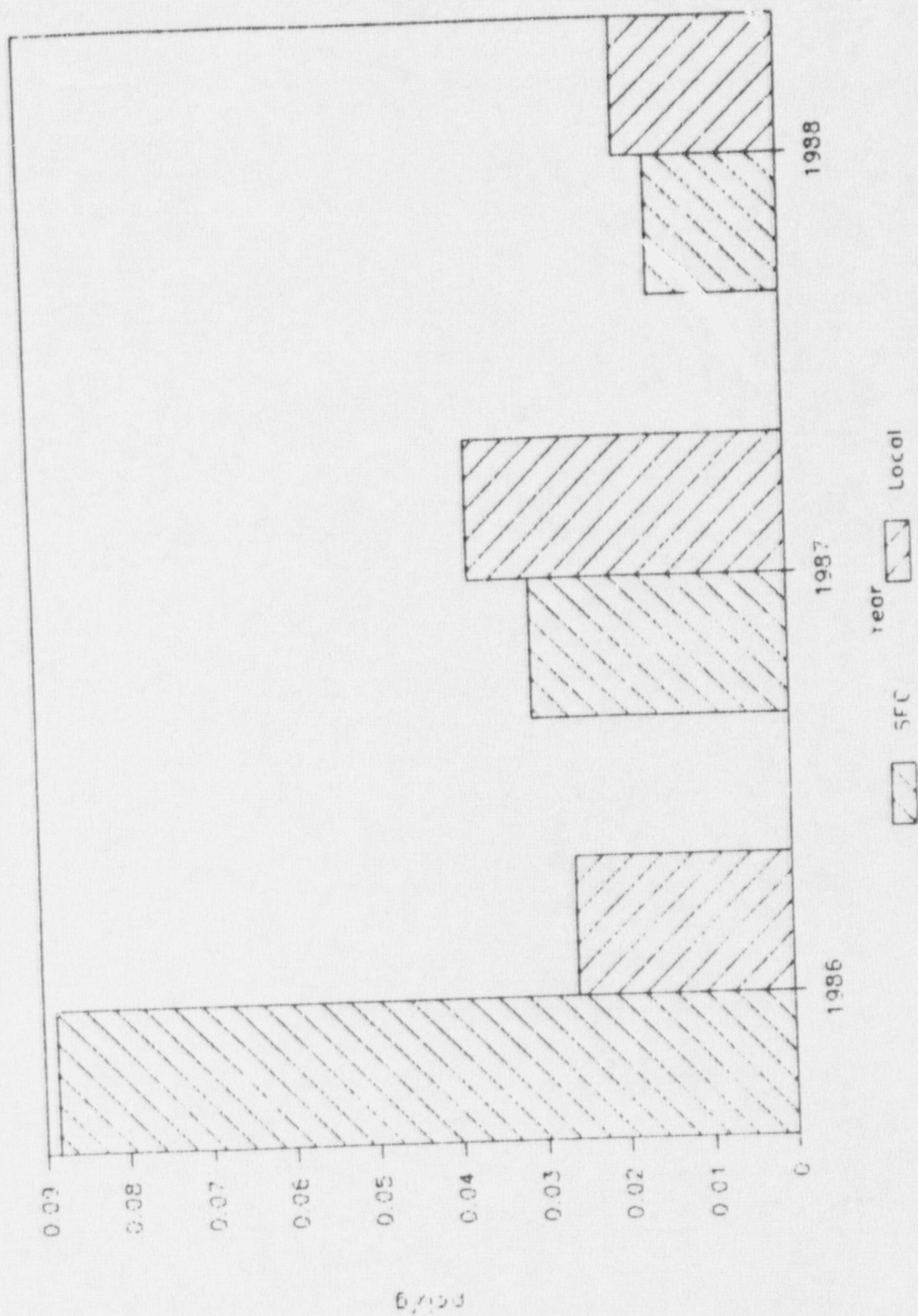
# Radium-226



# Thorium-230



## Natural Uranium





## Sequoyah Fuels Corporation

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The monitoring program conducted by SFC over the past 3 years has alleviated the concern that edible food crops grown near the facility may exhibit elevated levels of uranium and therefore, contribute significantly to the dose received by the public. The data demonstrates that the SFC operations are not contributing to the uranium, radium, and thorium content of vegetables grown near the facility. The value for the SFC and local market produce are comparable. Therefore, food crops are not significantly contributing to the dose received by the nearest residence via the ingestion pathway.

In addition, the status of License Conditions 12, 14, and 16 needs updating. The report required by Condition 14 was submitted on March 20, 1986. The investigation showed that FTP-2A nitrate levels were not the result of pond leakage. Since this report fulfills the requirements of Condition 14, the staff recommends that the condition be deleted.

The report required by Condition 16 was submitted on December 19, 1985. The report provided the results of SFC's examination of the source of elevated uranium concentrations in surface runoff water and the mitigation program to abate future loss. The program was incorporated into the license in License Amendment 7 dated February 17, 1987. Condition 16 has also been fulfilled and should be deleted.

As required by Condition 12, SFC submitted a report on January 20, 1986, and a supplement on December 15, 1986, that evaluated the ground water quality in the area of the raffinate storage ponds. The reports concluded that storage of raffinate in the ponds had not caused any directly discernible impact on ground water. SFC also proposed to expand the network of monitor wells by six and to conduct annual electromagnetic surveys. The December report discussed the installation of the new wells and the results of the electromagnetic survey. The staff requested that the NPC Uranium Recovery Field Office (URFO) provide technical assistance in reviewing these submittals. In a report dated April 21, 1987, URFO concluded that Ponds 5 and 6 were leaking solution, however, they also concluded that there was no conclusive evidence which confirms that the raffinate solution was reaching the ground water. URFO recommended that less reliance be placed upon the electromagnetic survey and that a water quality program be undertaken. SFC responded to these findings on November 20, 1987, and concluded that the current monitoring program was proper and that no modifications to the existing program were necessary. URFO reviewed the SFC submittal and made recommendations in a March 18, 1988, report. URFO concluded that both the URFO and SFC reports were valid on the ground water conditions in the vicinity of the ponds. The differing opinions were due to different assumptions relative to the origin of nitrate concentrations in three wells. At a meeting held with staff to discuss these reports, SFC agreed to perform some additional tests on the wells and submitted the results on November 17, 1988. URFO reviewed the test results in a report dated December 15, 1988. Staff has completed the review of the hydrological study and agrees with SFC's conclusions that the elevated nitrates present in the wells are not indicative of current pond leakage. Based on the information available, staff believes that the current ground water monitoring program is adequate. By virtue of the November 17, 1988, report and the earlier reports, SFC has satisfied Condition 12, and staff recommends that it be deleted.

Rev. 3 0 1989

Sequoyah Fuels Corporation

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Conclusion/Recommendation

Based on the above discussion, the staff recommends that SFC's request to discontinue the monitoring program required by Condition 13 be granted. Staff further recommends that Conditions 12, 13, 14, and 16, be deleted from the license.

The Region IV staff has no objection to this proposed action.

Original Signed By

Merri Horn  
Uranium Fuel Section  
Fuel Cycle Safety Branch  
Division of Industrial and  
Medical Nuclear Safety, NMSS

Approved by:

Original Signed By

George H. Bidinger, Section Leader

DFC:TMUF:	TMUF:	TMUF:
NAME:MHorn:mlh:	VLJharpe:	GHBidinger:
DATE:3/2/89	3/2/89	3/2/89

OFFICIAL RECORD COPY

MAR 30 1989

DOCKET NO: 40-8027  
LICENSEE: Sequoyah Fuels Corporation (SFC)  
Gore, Oklahoma  
SUBJECT: CATEGORICAL EXCLUSION FOR AMENDMENT REQUEST DATED JANUARY 27, 1989

D; letter dated January 27, 1989, SFC requested an amendment to License No. SUB-1010 to discontinue the vegetable monitoring program that is required by Condition 13. As discussed in the safety evaluation report (SER) for this action, the data supports discontinuance of the program. This is a procedural change and will not effect the public health and safety or the environment. Accordingly, pursuant to 10 CFR 51.22(c)(11), neither an Environmental Impact Statement nor an Environmental Assessment is warranted for the proposed action.

FOR THE NUCLEAR REGULATORY COMMISSION

Original Signed By:

Leland C. Rouse, Chief  
Fuel Cycle Safety Branch  
Division of Industrial and  
Medical Nuclear Safety, NMSS

DFC:IMUF:	IMUF:	IMUF: <i>SHI</i>	IMUF: <i>SHI</i>
NAME: <i>MLH</i> <i>MLH</i> :	VL <i>MLH</i> :	GHBidigner:	LC Rouse:
DATE: 3/3/89	3/2789	3/2789	3/2789

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C PDC

*lp.*



DOCKET 40-82  
PDR/LPDR

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SALISBURY HOUSE  
FINCHBURY CIRCLE  
LONDON, EGM 6RD, ENGLAND  
TELEPHONE 01-441-625-4931

DATE:

8/25/88

TIME:

515

## FACSIMILE MESSAGE

12-E-4

PLEASE DELIVER THE FOLLOWING 2 PAGES + (cover page)

TO:

ROBERT WOOD 12E4

FROM:

CHULA Meyer

If you do not receive any of the following pages,  
please call our firm at:

(202) 457-9500

HANNE

Telephone Number Called:

492-0260

Telephone Number to Confirm:

492-0262

Spr.

8967196146

12/31/88  
B/1

URANIUM OPERATIONS  
GORE AND HOME OFFICE  
PRO FORMA BALANCE SHEET  
AS OF 06/30/88

ASSETS		LIABILITIES & STOCKHOLDERS EQUITY	
<u>CURRENT ASSETS</u>		<u>CURRENT LIABILITIES</u>	
Cash	\$ 6,119,127.72	Accounts Payable	\$ 1,612,836.28
Accounts Receivable		Due Kerr-McGee	-0-
Regular	1,698,914.90	Long-Term Debt Within	
Employees & Officers	7,757.42	One Year	15,500.00
Inventories		Accrued Liabilities	
Products	4,184,348.81	Taxes Other than Income	207,848.85
Materials & Supplies	2,558,689.63	Payroll	639,659.30
Deposits & Prepaid Expense	264,558.91	Other	390,559.68
TOTAL CURRENT ASSETS	14,833,397.39	TOTAL CURRENT LIABILITIES	2,856,404.11
Long-Term Receivables	-0-	LONG-TERM DEBTS	339,000.00
Patents	-0-	DEFERRED CREDITS and RESERVES	
TOTAL INVESTMENTS & OTHER ASSETS	-0-	Decommission and Reclamation	11,679,103.11
PROPERTY, PLANT & EQUIPMENT		Other	1,431,962.55
Investments	69,696,658.84	Income Taxes	(152,284.82)
Reserves	(44,599,079.77)	TOTAL DEFERRED CREDITS and RESERVES	12,858,780.95
TOTAL PROPERTY, PLANT & EQUIPMENT	25,097,579.07	STOCKHOLDERS' EQUITY	
DEFERRED CHARGES		TOTAL STOCKHOLDERS' EQUITY	23,898,869.62
Project Costs	-0-		
Other	32,078.22		
TOTAL DEFERRED CHARGES	32,078.22		
TOTAL ASSETS	\$ 39,963,054.68	TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 39,963,054.68

Believe it is fairly valued - other facilities have spent more

\$ 5,000,000 note 10 yrs  
\$ 10.5% 90 day  
1/2% 1/300

UNION OPERATIONS  
GENERAL AND MERG. OFFICE  
10-1 DEBIT STATEMENT  
FOR THE PERIOD ENDED 06/30/68

07/15/68

OPERATING REVENUE

11,101,108.91

OPERATING EXPENSES

COST OF PRODUCT & MATERIAL  
OPERATING EXPENSES  
SELLING & GENERAL EXPENSE  
DEPR., DEPLETION AND AMORT  
EXPLORATION & CANCELLED LINES  
TAXES OTHER THAN INCOME

55,834,706.06  
18,096,132.99  
1,288,827.98  
2,361,921.69  
301,522.97

TOTAL OPERATING EXPENSES

8,433,719.57

INCOME (LOSS) FROM OPER.

2,667,488.94

OTHER INCOME (EXPENSE)

GAIN (LOSS) ON SALE OF PROP  
INTEREST INCOME  
INTEREST (EXPENSE)

12,271.88  
(138,218.97)

TOTAL OTHER INCOME (EXP)

(145,947.12)

NET INCOME (LOSS) BEFORE  
TAX PROVISION

2,521,541.82

PROVISION FOR INCOME TAXES

FEDERAL INCOME TAXES  
STATE INCOME TAXES

738,177.73  
279,190.15

TOTAL PROVISION FOR INCOME  
TAXES

1,017,367.88

NET INCOME (LOSS)

1,504,173.94

← why neg. cost.



Ill. Com. with Dean Graves

Chulia Meyer

8/29/88

City Bank

30 - 35 day terms  
potential for bad -  
never had val-left write-off

Inv. -

Prod. inv. - unbilled acct. recv.  
already under contract

60 - 90 day term

Mater. & supplies - parts of plants  
themselves

proper value - according to Arthur  
Anderson

3/4 - 7/8 - parts & supplies that go into  
plant itself

B/V

Recomm.

Inv. of waste matl. over 15 yrs.

recent sludge

current contract with Sequoyah

1/10% M.

reprocess sludge



deplete