

Ride Code (SP08)



Texas Department of Health

William R. Archer III, M.D.
Commissioner

1100 West 49th Street
Austin, Texas 78756-3189
(512) 458-7111

Charles E. Bell, M.D.
Executive Deputy Commissioner

Radiation Control
(512) 834-6688

March 6, 2000

NUCLEAR REGULATORY COMMISSION
OFFICE OF STATE PROGRAMS
ATTN PAUL H LOHAUS DIRECTOR
MAIL STOP 3 C10
WASHINGTON DC 20555

00 MAR 13 PM 4:02
OSP

Dear Mr. Lohaus:

Please find enclosed the documents you requested in regard to the letter addressed to Dr. Carl Paperiello from Waste Control Specialists LLC (WCS) , dated February 22, 2000.

- a. The current radioactive material license issued to WCS by the Texas Department of Health's Bureau of Radiation Control (BRC) (Amendment 9 to L04971, signed by Ruth E. McBurney on October 8, 1999).
- b. The most recent inspection of WCS conducted by BRC (conducted by Eric Skotak on November 16, 1999).
- c. The current fiscal tool which provides the appropriate amount of financial security for L04971 issued to WCS.

Also enclosed please find BRC staff brief comments on the WCS letter addressed to Dr. Paperiello.

Should you require additional assistance in addressing the issues raised in the letter, please contact Mr. Phil Shaver by telephone at (512) 834-6688 extension 2210; or by electronic mail at Phil.Shaver@tdh.state.tx.us

Sincerely,

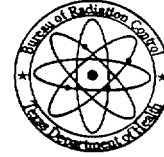
Ruth E. McBurney, CHP, Director
Division of Licensing, Registration
and Standards
Bureau of Radiation Control

3 Enclosures (as stated)

OSP file code:
SP-AG-27



Texas Department of Health
Bureau of Radiation Control



RADIOACTIVE MATERIAL LICENSE

Pursuant to the Texas Radiation Control Act and Texas Health Department regulations on radiation, 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 radioactive material listed below; and to use such radioactive material for the purpose(s) and at the place(s) designated below. This license is subject to all applicable rules, regulations and orders of the Texas Department of Health (Agency) now or hereafter in effect and to any conditions specified below.

LICENSEE

1. Name **WASTE CONTROL SPECIALISTS, LLC**
 ATTN DAVID KANIA
 2. Address **1710 W BROADWAY**
ANDREWS TX 79714

This license amendment is issued in response to a letter
 Dated: October 6, 1998
 Signed by: David Kania

| | |
|------------------------------------|-------------------------------|
| 3. License Number L04971 | Amendment Number 09 |
|------------------------------------|-------------------------------|

PREVIOUS AMENDMENTS ARE VOID

4. Expiration Date
November 30, 2004

RADIOACTIVE MATERIAL AUTHORIZED

| 5. Radioisotope | 6. Form of Material | 7. Maximum Activity* | 8. Authorized Use |
|---|--|---|--|
| <p>A. Any radioactive material (includes radioactive waste, byproduct material as defined at Texas Health and Safety Code §401.003(3) (B), uranium ore received as waste, NORM waste, and/or oil and gas NORM waste)</p> <p>B. Any radioactive material</p> | <p>A. Solid or Liquid</p> <p>B. Sealed Sources</p> | <p>A. Activities of groups as specified under 25 Texas Administrative Code (TAC) §289.254(d)(1) not to exceed the following: Group I: 200 Ci Group II: 2000 Ci Group III: 20,000 Ci Group IV: 200,000 Ci</p> <p>B. Total activity not to exceed 1000 Ci</p> | <p>A. Receipt and processing of radioactive material received as waste</p> <p>B. Interim storage of radioactive material received as waste</p> |

* Ci-Curies mCi-Millicuries µCi-Microcuries



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Bureau of Radiation Control



RADIOACTIVE MATERIAL LICENSE

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| LICENSE NUMBER L04971 | AMENDMENT NUMBER 09 |
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| 5. Radioisotope (continued) | 6. Form of Material (continued) | 7. Maximum Activity* (continued) | 8. Authorized Use (continued) |
|--------------------------------|------------------------------------|--|----------------------------------|
| C. Sr-90 | C. Sealed Sources | C. No single source to exceed 1 uCi. Total: 5 uCi | C. Calibration reference sources |
| D. Any radioactive material | D. solid or liquid | D. No single isotope to exceed 5 μ Ci, no combination of isotopes to exceed 50 μ Ci. Total: 1 mCi | D. Calibration reference sources |
| E. Any radioactive material | E. plated or sealed sources | E. No single isotope to exceed 1 μ Ci, no combination of isotopes to exceed 10 μ Ci. Total: 500 μ Ci | E. Calibration reference sources |

* Ci-Curies, mCi-millicuries, μ Ci-microcuries

9. Radioactive material shall be used only at:

Site Number Location

000 Andrews - One mile North of State Highway 176, 250 feet East of TX/NM State Line
(30 miles West of Andrews, TX)

10. Copies of all documents and records required by this license shall be maintained for Agency review at Site 000.
11. The licensee shall comply with the provisions of Title 25 Texas Administrative Code (TAC), Chapter 289, Sections 201, 202, 203, 204, 205 252, 254, and 257.
12. The individual designated to perform the functions of Radiation Safety Officer (RSO) for activities covered by this license is David Kania.



Texas Department of Health
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13. Radioactive material shall be used by individuals designated by the RSO only after each worker has successfully completed the training specified in the Radiological Training Program. Documentation verifying the successful completion of the training for each user shall be maintained by the licensee for inspection by the Agency. All training shall be supervised by David Kania.
14. The licensee shall submit a current resume listing all pertinent education, training and experience for any individual who replaces the following positions: Management Oversight representative, Radiation Safety Supervisor, Facility Manager, Operations Manager, Laboratory Manager, and/or Environmental Health & Safety Manager.
15. For the purposes of this license, the following definitions apply:
 - A. Appropriately authorized: the activity has been formally authorized by the State or Federal agency which has jurisdiction over the issue.
 - B. Authorized federal agency: the United States Department of Energy (DOE) or the United States Department of Defense (DOD) upon written, executed agreement with the licensee that specifies that the authorized federal agency will take back and assume responsibility for all of its waste currently maintained at the licensee's facility within 30 days of written notification by the Agency that the waste is ready for removal, and that all associated expenses for such will be borne by the authorized federal agency to the extent that they are not covered by the licensee's financial assurance. These provisions will only apply if the licensee has failed to properly decontaminate and decommission the facility or otherwise failed to comply with an Agency order.
 - C. Interim storage: Stabilized waste packaged in accordance with 49 CFR (as amended), and that meets current or stated acceptance requirements for an authorized disposal facility or an authorized federal agency.
 - D. Waste: Radioactive waste, byproduct material as defined in Section 401.003(3)(B) of the Health and Safety Code (as amended), uranium ore, NORM waste, and/or oil and gas NORM waste.
16. Copies of authorized federal agency agreements specified in License Conditions 15.B and 19.B shall be mailed within seven (7) days of execution and prior to receipt of waste to:

ATTN: Licensing
Bureau of Radiation Control
Texas Department of Health
1100 W. 49th Street
Austin TX 78756-3189
17. The licensee is hereby authorized to perform in-house pocket dosimeter calibration. The calibrations shall be performed under the supervision of the RSO.
18. The licensee is hereby authorized to perform in-house leak test analysis. The analysis shall be performed under the supervision of the RSO.



Texas Department of Health
Bureau of Radiation Control



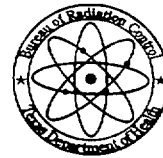
RADIOACTIVE MATERIAL LICENSE

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19. A. The licensee is authorized to possess special nuclear material only in quantities not to exceed that specified in 25 TAC §289.201(b). The total amount of special nuclear material possessed under all licenses issued by this Agency at the licensee's facility described in Condition No. 9 shall not exceed the 25 TAC §289.201(b) limits.
- B. Notwithstanding the licensee's procedures, the licensee is authorized to possess transuranics (nuclides with an atomic number greater than 92) in concentrations greater than 100 nanocuries per gram (nCi/g). Prior to receipt of transuranics with concentrations exceeding 100 nCi/g, the licensee shall obtain an executed, written agreement from an authorized federal agency. The agreement shall meet the terms of the agreement specified in Condition 15.B of this license. Furthermore, in no respect shall this authorization be construed as to allow the limitations specified in Part A of this condition to be exceeded or violated.
20. In accordance with procedures submitted in the application dated January 24, 1997, the licensee is authorized to perform in-house decontamination of surface contaminated objects utilizing the PlasBlast Model 5050, or equivalent. This use is restricted to the Stabilization Building. This authorization is restricted to objects contaminated through the course of the licensee's authorized activities.
21. Radioactive material described in Parts A and B of Conditions 5, 6, 7 and 8 shall only be transferred to the initial generator, to an appropriately authorized waste disposal facility, or to an appropriately authorized waste processor. Documentation of recipient's authorization shall be maintained for inspection for a minimum of five (5) years.
22. The licensee is authorized to process waste. Such processing shall be performed in accordance with the procedures and commitments submitted in the application dated January 24, 1997, or new or modified procedures specified in Condition 34 of this license, and is limited to the following:
- A. Receipt and survey;
- B. Repackaging;
- C. Compaction and consolidation utilizing a Model 55R RAMFLAT, or equivalent, compactor. This use is restricted to the Stabilization Building;
- D. Processing and/or treatment of waste in the following methods:
- (1) Solidification/stabilization of liquid or solid radioactive waste using media acceptable to low-level waste disposal sites utilizing a 55 gallon Enrico Barrel Mixer, or equivalent. This use is restricted to the Stabilization Building.
 - (2) Treatment of cesium-137-contaminated electric arc furnace dust (United States Environmental Protection Agency designation KO61) and incident related material utilizing the procedure described in module OP-1.4.7, issue date of 9/18/98, revision 1, titled "KO61 And Incident Related Material Stabilization Process." In addition to the procedures described in OP-1.4.7, all doors to the stabilization building shall be closed and remain closed during the processing of the waste.



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22. D. (continued)

(3) Solvated Electron Technology (SET) of mixed-waste using the Commodore D/2 unit for pilot testing in accordance with the commitments made in the letters dated September 9, 1999 (with attachments), October 6, 1999 (with attachments, including the procedures identified as wCs Work Instruction for the Commodore D/2 Unit, WI99-1.16), and October 7, 1999 (with attachments). This treatment method is restricted to the following waste matrices and radionuclides:

| <u>Waste Matrix</u> | <u>Radionuclides</u> |
|----------------------------|--|
| Soil (degreaser sludge) | U-234, U-235, U-238, Cs-137, K-40 |
| Moist solids, water on top | U-234, U-235, U-238, Cs-137 |
| Oil/Freon | U-234, U-235, U-238, K-40, Co-57, Co-60, Cs-134, Cs-137, Ce-144, Eu-152, Eu-156, Rb-106, Sb-125, Zn-65, Pb-212 |
| Freon soaked soil | U-234, U-235, U-238, Cs-137, K-40 |
| Sodium contaminated metals | Co-60 |
| Floor removal wastes | Ag-116, Co-58, Co-60, Cs-137 |

E. Storage of radioactive waste in the Bin Storage Area, Container Storage Building and the Stabilization Building.

F. Research and development in the treatment of radioactive waste using the Commodore Mobile Demonstration Unit as described in and in accordance with the limitations and specifications contained in the letters dated February 3, 1999 and April 23, 1999, and attachments and enclosures, including wCs Work Instructions for CMDU2, dated April 9, 1999, WI99-1.2 and Attachment A to WI99-1.2.

23. In addition to the limits specified by Conditions 5, 6, 7 and 8, the licensee shall restrict possession of waste to the following conditions.

A. The total volume physically present shall not exceed 302,865 cubic feet and shall be further limited to the following building limitations:

1. Bin Storage Area: 262,440 cubic feet
2. Container Storage Building: 36,750 cubic feet
3. Stabilization Building: 3,675 cubic feet



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Bureau of Radiation Control



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23. (continued)
- B. Any waste container shall be counted as a full container in the volume inventory unless it can be readily verified as empty.
 - C. Waste stored in the Bin Storage Area that is not contained within a High Integrity Container will be restricted to Low Specific Activity or Surface Contaminated Object, as defined by Title 10 of the Code of Federal Regulations (CFR) Part 71 (as amended), or depleted uranium.
 - D. The volume authorized in License Condition No. 23.A shall be further limited in accordance with the amount of Financial Assurance in place with the Agency:
 - 1. Financial Assurance = \$7,084,973. No more than 3,822 cubic feet of waste that has a current commercial disposal option, 58,320 cubic feet of cesium-137-contaminated electric arc furnace dust (U. S. Environmental Protection Agency designation KO61), and 240,723 cubic feet of waste from authorized federal agencies;
 - 2. Financial Assurance = \$18,467,478. No more than 18,172 cubic feet of waste that has a current commercial disposal option, 58,320 cubic feet of cesium-137-contaminated electric arc furnace dust (U. S. Environmental Protection Agency designation KO61), and 226,373 cubic feet of waste from authorized federal agencies; or
 - 3. Financial Assurance = \$32,881,617. No more than 36,344 cubic feet of waste that has a current commercial disposal option, 58,320 cubic feet of cesium-137-contaminated electric arc furnace dust (U. S. Environmental Protection Agency designation KO61), and 208,201 cubic feet of waste from authorized federal agencies.
 - 4. The volume of waste that has a current commercial disposal option authorized in License Condition Nos. 23.D.1 through 23.D.3 may include up to 2,700 cubic feet of commercial mixed waste that can not be processed into a form that has a current disposal option.
24. All waste not in storage shall be physically restricted to:
- A. (1) for waste meeting the requirements of low specific activity group I radioactive material, as specified in Title 49 of the CFR (as amended), processing within the confines of the Stabilization Building; and
 - (2) for all other waste, processing within the confines of a PERMACON, or equivalent, structure; or
 - B. Packaged in accordance with Title 49 of the CFR (as amended) requirements and in transit between the Bin Storage Area, Container Storage Building, Stabilization Building, or offsite.
25. All waste holding times shall be limited to the following:
- A. All waste shall be initially processed within 10 days of placement within the Stabilization Building. All waste shall be transferred out of the Stabilization Building within 30 days of placement within the Stabilization Building;



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25. (continued)
- B. All waste shall be placed into interim storage or transferred to an authorized recipient within 365 days of the initial date of receipt; and
 - C. All waste authorized under License Condition No. 23.D.4 shall be returned to the generator or an appropriately authorized waste processor within 60 days of the initial date of receipt.
26. A. No waste shall be commingled with material requiring a separate disposal methodology.
- B. In spite of the licensee's procedures, no waste from an authorized federal agency shall be commingled with waste from another generator.
27. The licensee shall maintain for inspection by the Agency an inventory of all waste possessed under this license. The inventory shall show the radionuclide, date received, from whom received, amount of activity, physical form, date processed, original and reassigned drum or container number, and the date transferred for disposal. In addition, the licensee shall at least monthly generate a cumulative inventory which demonstrates compliance with License Condition Nos. 19, 23, and 25 (including waste form requirements for interim storage), and the appropriate processing group limits of 25 TAC §289.254(d). The licensee shall maintain a copy of the inventories, for a minimum of five (5) years from the date of generation, for inspection by the Agency.
28. A summary of all waste processing activities for the preceding calendar year shall be generated no later than March 1 of each year and maintained for inspection until disposition is authorized by the Agency. This report shall include total throughput for each individual process; all material received; all material transferred; all spills outside of primary containment; and a current inventory at the end of the report. Material transferred and received shall also be listed by licensee. All categories shall include activity by isotope and total volume.
29. A. Waste containers containing radioactive waste meeting the requirements of low specific activity material, group I (LSA-I), as specified in Title 49 of the Code of Federal Regulations, Section 173.403, may be opened for sampling of the contents or container maintenance or repair in a Permacon, the Container Storage Building, or Stabilization Building.
- B. All other waste containers shall only be opened in PERMACON or equivalent structures.
30. If air sample results indicate that an airborne release in excess of ten times the limits of 25 TAC §289.202(ggg)(2), Table II Column 3 occurred to the restricted area or to any portion of the restricted area, the licensee shall, within 72 hours of the exposure, perform bioassays on all individuals who were present.
31. A. The licensee shall notify the Agency in writing or via facsimile at least three (3) working days in advance of shipping its low-level radioactive waste to a commercial treatment, storage, or disposal site.
- B. The licensee shall notify the Agency in writing or via facsimile at least three (3) working days in advance of initial receipt of waste pursuant to this license.



Texas Department of Health
Bureau of Radiation Control



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31. (continued)

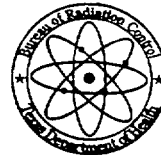
C. Notification required by this Condition shall be made to:

LLRW Notification
ATTN: Division of Compliance and Inspection
Bureau of Radiation Control
Texas Department of Health
1100 W. 49th Street
Austin, Texas 78756-3189 or
by facsimile to: (512) 834-6654.

32. A. In accordance with the application dated January 24, 1997, the licensee may only modify the following procedures: Operations Procedures; Occupational Health and Safety Procedures; Quality Assurance Procedures; Emergency Procedures; Laboratory Procedures and/or Radiation Safety Procedures. All modifications shall provide at least equivalent levels of radiation safety and administrative control. Documentation of all modifications, and the corresponding internal review, shall be maintained for inspection for a minimum of five (5) years.
- B. In the radiation safety procedure RS-3.3.62, wherever Form RS 3.3.61-1 is referenced, it shall be understood that Form RS 3.3.62-1 is meant.
33. Modification of the facility or the processes described in the documents listed in License Condition No. 34 is prohibited except as authorized pursuant to amendment of this license.
- A. The licensee may modify the facility as described in the licensee's letter dated October 6, 1998 regarding the Permacon structures.
34. The licensee must secure all applicable licenses, permits, and/or authorizations from the appropriate regulatory authorities before engaging in the authorizations granted by this license.



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Bureau of Radiation Control



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35. Except as specifically provided otherwise by this license, the licensee shall possess and use the radioactive material authorized by this license in accordance with statements, representations, and procedures contained in the following:

application dated January 24, 1997 and amendment dated May 2, 1997, including Appendices Volume I-V, Site and Facility Drawings, and Drawing Specification;

letters dated March 5, 1998 (with Andrews Site Organizational Chart and vice president operations/facility manager, radiation safety officer, and operations manager position descriptions attachments) and October 6, 1998 (with attachments); February 3, 1999; and April 23, 1999 (with attachments and enclosures, including wCs Work Instructions for CMDU2, dated April 9, 1999, WI99-1.2 and Attachment A to WI99-1.2); **September 9, 1999 (with attachments), October 6, 1999 (with attachments, including wCs Work Instruction for the Commodore D/2 Unit, WI99-1.16) and October 7, 1999 (with attachments); and**

- procedure titled "Processing Mixed Waste," Issue Date: 9/18/98, Rev. 1 (replaces Rev. 0);
- procedure titled "Receipt and Storage of Radioactive and Mixed Waste," Issue Date: 9/18/98, Rev. 1 (replaces Rev. 0);
- procedure titled "KO61 and Incident Related Material Stabilization Process," reference no.: OP-1.4.7, Issue Date: 9/18/98, Rev. 1 (replaces Rev. 0); and
- procedure titled "Survey Sample Analysis and Activity Calculation," reference no.: RS-3.3.62, Issue Date: 6/23/98, Rev. 0.

Title 25 of the TAC Chapter 289 shall prevail over statements contained in the above documents, unless such statements are more restrictive than the regulations.

PS:tc FOR THE TEXAS DEPARTMENT OF HEALTH

Date October 8, 1999

Ruth E. McBurney
Ruth E. McBurney, C.H.P., Director
Division of Licensing, Registration,
and Standards



Texas Department of Health

William R. Archer III, M.D.
Commissioner

1100 West 49th Street
Austin, Texas 78756-3189
(512) 458-7111

Patti J. Patterson, M.D., M.P.H.
Executive Deputy Commissioner

Radiation Control
(512) 834-6688
FAX (512) 834-6654

December 7, 1999

Waste Control Specialists, LLC
Attn: David Kania
1710 West Broadway
Andrews, Texas 79714

Ref: Compliance No. L991460
License No. L04971

Re: Inspection of November 16, 1999, by Eric Skotak at 30 miles West of Andrews, State Highway 176. Site No. 000.

Dear Mr. Kania:

The Bureau of Radiation Control has recently evaluated a written report of the compliance inspection referenced above. By this correspondence, we are pleased to inform you that your radiation safety program, as it pertains to current authorizations, adequate recordkeeping, and conformance to approved operating and safety procedures, appears to be in compliance.

If you have any questions, please contact me at (512) 834-6688, ext. 2009.

Sincerely,

Robert L. Green
Regional Health Physics Coordinator
Division of Compliance and Inspection-RAM

RLG/sd

COV
(09/16/99)

TEXAS DEPARTMENT OF HEALTH
Bureau of Radiation Control


Inspection Date 11/16/1999

INSPECTION REPORT

991460

(Use this form for inspections only)

Compliance No. =>

| | |
|---|--|
| Name and Address of Licensee/Registrant Waste Control Specialists, LLC Attn: David Kania 1710 West Broadway Andrews, TX 79714 | Lic/Reg No.: L04971 |
| | Site No.: 000 |
| Address of Inspection 30 miles west of Andrews, State Highway 176 | Expiration Date: 11/30/04 |
| | Inspection Region: 09 |
| | Category Code: 04 Industrial |
| | Use Code: 079 |
| Inspection Notice to (Name, Title, Address) same as above | Type of Use: Waste Proc. III |
| | Type of Inspection <input type="checkbox"/> Announced <input type="checkbox"/> Field <input checked="" type="checkbox"/> Unannounced |
| Copy of Inspection Notice to (Name, Title, Address) | Radiation Safety Officer David Kania |
| | RSO Phone No. 505-394-4300 |
| Telephone No. 505-394-4300 | Accompanying Inspector(s) None |
| Inspector: Eric Skotak | Reviewed by:  |
| Report Date: 12/3/1999 | Date Reviewed: 12/6/99 |

Inspection Findings: **Items of Noncompliance**

No items of noncompliance were noted.

RECEIVED
TDH

DEC 03 1999

BUREAU OF
RADIATION CONTROL

Scope of Operations:

Primary operations include the processing, and interim storage of radioactive and mixed waste, and disposal of exempt waste. Other operations include source leak testing, and pocket-dosimeter calibration.

General Information:

David Kania (RSO), Steve Jacobs (Radiation Safety Supervisor), and Lydia Jacobs (Waste Tracking) were the primary contacts for this inspection.

Document Posting:

Document posting was compliant with 25 TAC §289.203(b). The various records required by the license and TRCR were located in either the RSO's office, the Radiation Safety Supervisor's office, or the fireproof vault.

RPP & ALARA Program:

The RPP annual audit was last performed in December 1998, and was reviewed during a previous inspection. The RPP was reviewed during a previous inspection.

Training Program:

Training records were reviewed for the period since the previous inspection. Training provided during this period included Radiation safety tech. training, Rad. worker challenge test, 8 hour refresher, 40 hour Hazwoper, respirator physicals, respirator fit tests, bioassays, whole body counts, and other hazardous materials training.

Waste Volume Limits:

The license sets limits on the volume of waste to be present in certain buildings at any given time. The limits are in units of ft³, and are: 262,440 ft³ in the bin storage area, 36,750 ft³ in the container storage building, and 3,675 ft³ in the stabilization building. The November 2, 1999 inventory lists the following volumes: 32,459.56 ft³ in the bin storage area, and 10,875.2 ft³ in the container storage area. The volume of waste in the stabilization building was not listed.

The November 2, 1999 inventory supplied by the licensee, *Inventory Shipment & Processing Files*, is attached to this report.

Waste Activity Limits:

A waste inventory is produced monthly. The most recent inventory was produced on November 2, 1999, and listed the following activities by waste category: Category I = 1.35 Ci; Category II = 0.0408 Ci; Category III = 0.138 Ci; Category IV = 16,000 Ci.

The above inventory was well within the licensed limits. The inventory category with the greatest percentage of the authorized maximum activity was Category IV, 16,000 Ci, which was 8% of the 200,000 Ci authorized.

Special Nuclear Material is limited to quantities not to exceed that specified in 25 TAC §289.201(b). The licensee's inventory of November 2, 1999 listed the following: 0.0108 grams U-233 (limit = 200g), 163 grams of U-235 (limit = 350g), 1.22 grams of Pu (limit = 200g). The combination of these isotopes calculates to be 0.4719 (limit = 1.0).

Incident Related Cs-137 Contaminated K061 Waste Processing and Disposal:

From the licensee's records, the activity received was 911.68 mCi, the activity returned to the generator was 371.9 mCi, the remaining activity was 539.77 mCi. Not all of the 539.77 mCi has been transferred for disposal. The activity authorized by TDH for disposal was 652.4 mCi.

TDH records agree with the licensee's records regarding activity authorized for transfer for disposal. TDH authorized 157.4 mCi on September 24, 1998, 220 mCi on December 28, 1998, and 275 mCi on August 19, 1999.

The 16 rollofs of K061 waste containing Am-241 are still stored in the bin storage area. The licensee is preparing a sampling plan to determine the actual activity of Am-241 in the individual K061 containers, and then plans to request disposal of K061 in the containers for which the sample analysis results show no Am-241 is present (Letter dated August 19, 1999 from Hance, Scarborough, & Wright, Attorneys, to TNRCC).

WCS received four rail cars of K061 waste the morning of the inspection.

Exempt Source Material Disposal:

The morning of the inspection, WCS received three rail cars of exempt source material from the U.S. Corps of Engineers, which contained DuPont FUSRAP steel. The licensee expects to receive a total of fourteen rail cars, approximately 2000 tons, of the material. The receipt of this material was approved by TDH. The licensee performed a gamma survey of the external surfaces of the rail cars. I also performed a similar survey, with results not above background. The survey instrument used for my survey was the Ludlum 12S, serial # 67663. See page 7 for two photos of the rail cars.

Exempt NORM Disposal:

At the time of the inspection, the licensee had received twenty-six containers of exempt NORM from the Freeport McMoRan sulphur mine near Pecos. The receipt of this material was approved by TDH. The NORM is fixed inside pipe used in the mining process. Personnel and equipment for the analysis of the NORM was provided by Canberra. Of the containers received, the maximum concentration measured by Canberra was 27 pCi/gram. Copies of the analysis results are attached.

Monitoring Program:

Daily surveys are performed at vent hoods #1, #2, and #3, and at the receiving lab, prep lab, BTU lab, and lunch room. Weekly gamma surveys and wipe samples are performed in the administrative offices, lunch room, chemistry lab, radiation counting room, chemical 90-day storage, construction trailer, ladies personal building, mens locker, P.C. storage, change-out room, container storage area, bin storage area, and the stabilization building. Monthly surveys were performed on the on-site vehicles and equipment. Ludlum models 19 and 3 were used for these surveys. Of the documents reviewed, the survey instruments had been calibrated within the appropriate interval, and the survey results were under applicable limits.

Permacon drum release surveys are required prior to drum removal from the Permacon. Permacon end-of-shift surveys are also required. Of the records reviewed, the Models 19 and 3 used for these surveys were calibrated within the appropriate interval, and the survey results were under applicable limits.

Incoming and outgoing shipment surveys are required. The shipments are by rail or truck. Of the records reviewed, the Models 19 and 3 used for these surveys were calibrated within the appropriate interval, and the survey results were under applicable limits.

Instrument Calibration:

The licensee's procedures state instruments and equipment used for quantitative radiation measurement will be calibrated at intervals not to exceed 12 months. Procedures also state specifically that air sampling equipment, and pocket ionization chambers will be calibrated at intervals not to exceed 12 months. A calibration history follows:

| Manufacturer | Model # | Serial # | Calibration Dates |
|-----------------|-----------|----------|----------------------------|
| Alpha | 6A1 | 574 | 8/25/99 |
| Alpha | 6A1 | 561 | 1/7/99 |
| ELF #2 | | | 6/15/99 |
| ELF #3 | | | 6/17/99 |
| ELF #4 | | | 6/16/99 |
| ELF #6 | | | 6/15/99 |
| Ludlum | 333-2 CAM | 149346 | 7/26/99, 11/23/98 |
| Ludlum | 333-2 CAM | 149349 | 6/16/99, 1/6/99 |
| Ludlum | 333-2 CAM | 132877 | 6/1/99, 2/1/99 |
| Ludlum | 333-2 CAM | 149347 | 1/11/99 |
| Aptec | PMW-2 | 9804-014 | 12/15/98 |
| Eberline | R020 | 2566 | 8/29/99, 2/2/99 |
| Eberline | R020 | 2454 | 10/12/99, 4/27/99 |
| Ludlum (portal) | L-52 | | daily operational checks |
| Ludlum | 19 | 148175 | 7/29/99, 4/2/99, 10/22/98 |
| Ludlum | 19 | 148146 | 9/22/99, 4/27/99, 10/22/98 |
| Ludlum | 19 | 144743 | 2/2/99 |
| Ludlum | 19 | 141417 | 3/15/99 |
| Ludlum | 19 | 148177 | 10/22/98 |
| Ludlum | 19 | 151683 | 3/17/99 |
| Ludlum | 77-3 | 143251 | 5/7/99 |
| Ludlum | 77-3 | 143253 | 11/30/99 |
| Ludlum | 16 | 143002 | 4/12/99 |
| Ludlum | 14C | 144734 | 4/27/99 |
| Ludlum | 14C | 144725 | 10/15/99, 11/5/98 |
| Ludlum | 2929 | 147746 | 6/23/99 |
| Ludlum | 2929 | 143873 | 7/13/99, 12/23/98 |
| Ludlum | 3500-3000 | 150006 | 5/28/99 |
| Ludlum | 3 | 143753 | 7/29/99, 11/2/98 |
| Ludlum | 3 | 144372 | 4/12/99, 10/15/98 |
| Ludlum | 3 | 151380 | 8/22/99, 4/2/99 |
| Ludlum | 3 | 144286 | 2/2/99 |
| Ludlum | 3 | 144197 | 8/29/99, 3/15/99 |
| Ludlum | 3 | 144222 | 9/22/99, 4/2/99 |
| Ludlum | 3 | 146210 | 9/29/99, 3/15/99 |
| Ludlum | 3 | 151451 | 9/22/99, 4/2/99 |
| Ludlum | 3 | 154464 | 7/30/99, 2/2/99 |
| Ludlum | 3 | 151785 | 7/30/99, 2/3/99 |
| Ludlum | 3 | 143737 | 10/15/99, 4/12/99 |
| Ludlum | 3 | 144457 | 11/2/99 |
| Ludlum | 3 | 143432 | 9/22/99, 7/29/99 |
| Ludlum | 3 | 143732 | 9/22/99, 4/27/99 |
| Ludlum | 3 | 151778 | 2/3/99 |
| Sierra | Mass Flow | 31574 | 11/24/98 |
| HiQ | HD-29A | 5527 | 4/22/99 |

| Manufacturer | Model # | Serial # | Calibration Dates |
|----------------|---------------|----------|-------------------|
| HiQ | AFC-5 Digital | 6940 | 5/13/99 |
| HiQ | AVS-28A | 5860 | 4/22/99, 12/15/98 |
| HiQ | AVS-28A | 6874 | 6/22/99 |
| HiQ | AVS-28A | 6875 | 6/22/99 |
| HiQ | AVS-28A | 6876 | 6/22/99 |
| HiQ | AVS-28A | 6877 | 6/22/99 |
| HiQ | AVS-28A | 6878 | 6/23/99 |
| HiQ | AVS-28A | 6879 | 6/22/99 |
| HiQ | AVS-28A | 6924 | 4/13/99 |
| HiQ | AVS-28A | 6925 | 4/13/99 |
| HiQ | RV23-0523 | 7229 | 4/13/99 |
| HiQ | RV23-0523 | 7228 | 4/13/99 |
| HiQ | RV23-0523 | 6920 | 4/13/99 |
| HiQ | VS230523CV | 7448 | 4/13/99 |
| HiQ | MVR-0523CV | 7450 | 4/13/99 |
| HiQ | VS23-0523CV | 7449 | 4/13/99 |
| HiQ | VS23-0523CV | 7447 | 4/13/99 |
| HiQ | H809V1 | 8238 | 4/22/99 |
| HiQ | H809V1 | 8238 | 2/11/99 |
| Bicron | MicroRem | C112A | 5/11/99 |
| EG&G Ortec | GV1 | Unit1 | 2/1999 |
| EG&G Ortec | GV1 | Unit2 | 2/19/99 |
| Gamma Products | G5000 | | 6/14/99 |
| Ludlum | 2350-1 | 142503 | 1/6/99 |
| Ludlum | 2200 | 138675 | 2/3/99 |
| Ludlum | 3-97EP | 149353 | 1/7/99 |
| Ludlum | 3 | 121545 | 4/12/99 |
| Ludlum | 3 | 143737 | 11/7/97 |
| Ludlum | 3 | 143753 | 11/7/97 |
| Ludlum | 177 | 150470 | 9/17/99, 4/23/99 |
| Ludlum | 177 | 150472 | 7/30/99, 2/3/99 |
| Ludlum | 177 | 140820 | 5/12/99 |
| Ludlum | 177 | 140764 | 5/12/99 |

Source Inventory & Leak Testing:

No new sources were received since the previous inspection. The latest source inventory was performed on March 4, 1999. An inventory of sealed sources is not required by the license. The license authorizes calibration reference sources only, with a maximum allowed calibration reference source activity of 50 μ Ci. A copy of the inventory is attached.

The sources are not required to be leak tested due to their low activity, but the licensee leak tests the sealed sources quarterly. A copy of the most recent leak test, performed on July 1, 1999, is attached.

Personnel Monitoring:

The licensee does not maintain a 21-2 record for individuals. The licensee does summarize individual dose on a 21-3 equivalent form. The dosimeter supplier is R.S. Landauer which provides quarterly TLD's. Pocket dosimeters are also supplied to individuals by the licensee. The licensee is authorized to calibrate the pocket dosimeters.

The licensee does hire individuals under the age of 18, but assigns duties such that they will not receive an occupational dose. These minors are monitored with whole body dosimeters.

The maximum whole body dose (DDE) for the first quarter 1999 was 40 mRem. The maximum DDE for the second quarter 1999 was 9 mRem.

Control dosimeters are in the guard shack at the truck entry gate, and in the administration building.

Dose summaries are provided to individuals when requested, at the end of each year, and upon termination of employment.

Incidents:

There were no incidents reported since the previous inspection.

There was an instance of receipt of a leaking drum of waste, and later, discovery of other leaking drums. These drums of waste were part of a shipment of 60 drums WCS received from NSSI for interim storage which contained mercury, with low concentrations of Thorium. The contamination was reported to TDH and to TNRCC. Records of the clean-up of the two instances of contamination were reviewed. The very low levels of radioactive contamination did not require a report to TDH. The licensee has notified TDH the 60 drums are being returned to NSSI. The fact that there was a leaking drum of waste at the time of receipt appears to be a violation, by NSSI, of U.S.D.O.T. rules. NSSI will be contacted regarding the drum that was leaking during transport. See page 7 for pictures of the drums of waste received from NSSI.

Previous Inspection:

No violations were issued for the previous inspection of 5/11/1999.

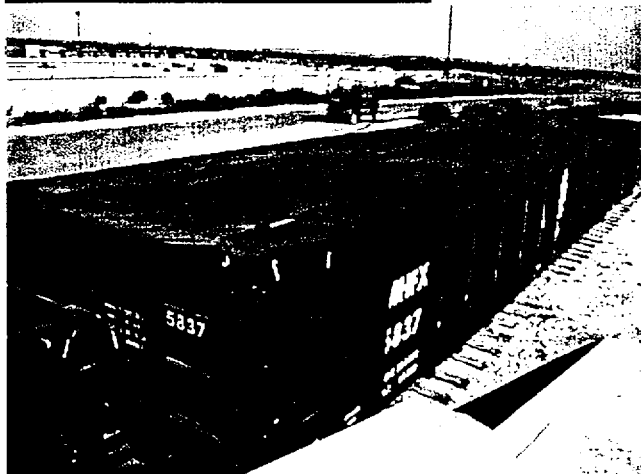
Survey:

Various areas of the facility was surveyed with a TDH Ludlum Model 12, serial #67663. The maximum external gamma survey results were 400 μ R/hr. in the container storage area, and 100 μ R/hr. in the Permacon. The licensee posts current survey results at the entrance to radiation areas in the bin storage area and in the container storage area. See page 7 for a picture of one of these postings.

Summary:

The exit summary was conducted with David Kania, at which time he was told it appeared there were no items of noncompliance.

Photos referenced in this report:



One of the rail cars of U.S. Corps of Engineer's, DuPont FUSRAP waste, exempt source material



The two other rail cars of FUSRAP exempt source material.



The 60 drums from NSSI are in the three rows of drums pictured here.



The 4 overpacked (leaking or potentially leaking) drums from NSSI are in the larger yellow drums.



The current survey results and caution posting to the entrance of a radiation area.

Inventory Shipment & Processing Files

| | | Group I | Group II | Group III | Group IV |
|----------------------|----------|----------|----------|-----------|----------|
| <i>mCi Totals :</i> | 1.60E+07 | 1.35E+02 | 4.08E+01 | 1.38E+03 | 1.60E+07 |
| <i>mCi Allowed :</i> | | 2.00E+05 | 2.00E+06 | 2.00E+07 | 2.00E+08 |
| <i>% mCi Used :</i> | 8.07% | 0.07% | 0.00% | 0.01% | 8.00% |

| <i>Total Cubic Feet By Location</i> | <i>Total Volume Cu Ft</i> | <i>Storage Location</i> |
|---|---------------------------|-------------------------|
|---|---------------------------|-------------------------|

| | | |
|--------------------------|----------|-------|
| <i>Note CuFt Limits:</i> | 32459.56 | BSA |
| <i>BSA=262,440;</i> | 10875.20 | CSB |
| <i>CSB=36,750;</i> | | |
| <i>Stab Bldg=3,675;</i> | 11199.66 | TRACK |

Grand Total Cu Ft: 54534.42

CuFt Auth Fed Agency:

Cu Ft K061 on Site: 39252.66

Commercial Cu Ft Allowed: 36344.00

Commercial Cu Ft Available: 21062.24

K061 Cu Ft Available: 19067.34

| <i>Inventory SNM</i> | <i>Site Id</i> | <i>U-233</i> | <i>U-235</i> | <i>Pu</i> | <i>TotSNM</i> |
|----------------------|----------------------------|--------------|--------------|-----------|---------------|
| | DOE Mound | 0.00E+00 | 3.17E+01 | 3.71E-02 | 3.18E+01 |
| | Entergy | 0.00E+00 | 0.00E+00 | 5.55E-09 | 5.55E-09 |
| | Gould OH | 0.00E+00 | 4.24E+01 | 0.00E+00 | 4.24E+01 |
| | Los Alamos | 0.00E+00 | 1.30E+01 | 2.76E-05 | 1.30E+01 |
| | Los Alamos | 0.00E+00 | 6.57E+00 | 2.16E-03 | 6.57E+00 |
| | MMT | 0.00E+00 | 4.18E-02 | 1.32E-06 | 4.18E-02 |
| | NSSI | 0.00E+00 | 0.00E+00 | 3.24E-06 | 3.24E-06 |
| | USDOE ETPP | 0.00E+00 | 9.49E-01 | 1.30E-04 | 9.49E-01 |
| | USDOE ETPP | 0.00E+00 | 7.92E-01 | 5.57E-02 | 8.47E-01 |
| | USDOE PGDP | 0.00E+00 | 0.00E+00 | 1.13E+00 | 1.13E+00 |
| | Westinghou | 1.08E-02 | 6.78E+01 | 1.51E-05 | 6.78E+01 |
| | <i>Grand Totals SNM g</i> | 1.08E-02 | 1.63E+02 | 1.22E+00 | 1.65E+02 |
| | <i>Allowed g</i> | 200 | 350 | 200 | |
| | <i>Percent of Amount %</i> | 0.01% | 46.65% | 0.61% | 47.27% |

*Sum of
Fractions*

Freeport-McMoRan Sulphur LLC
Culberson Mine NORM Removal Project

PRELIMINARY ACTIVITY COUNTS

Count time is approximately 60 minutes per box. 4 counts per box at 15 minutes each.

15% added to readings as a radon "exhalation" factor

Each box contains approximately 16 joints of pipe, or approximately 8 cubic yards of material per box.

| | | ** | ** | * | * | | | ** | * |
|---|----------|------------|--------------|-------------|-------------|---------------|---------------------------|-------------------------|--------------------------|
| | Date | Box Number | Gross Wt LBS | Tare Wt LBS | Net Wt. LBS | Net Wt. Grams | Total Activity Curies/Box | Total Activity pCi/gram | Shipping Manifest Number |
| R | 11/7/99 | 274150 | 21,540 | 6,700 | 14,840 | 6,737,360 | 0.000104 | 15.500 | 2053685 |
| R | 11/8/99 | 274049 | 22,000 | 6,700 | 15,300 | 6,946,200 | 0.000066 | 9.520 | 2053686 |
| R | 11/9/99 | 274087 | 23,640 | 6,100 | 17,540 | 7,963,160 | 0.000105 | 13.180 | 2053687 |
| R | 11/10/99 | 274169 | 23,260 | 6,100 | 17,160 | 7,790,640 | 0.000065 | 8.325 | 2053688 |
| R | 11/10/99 | 274232 | 23,000 | 6,100 | 16,900 | 7,672,600 | 0.000163 | 21.300 | 2053689 |
| R | 11/10/99 | 274327 | 20,420 | 6,100 | 14,320 | 6,501,280 | 0.000037 | 5.630 | 2053690 |
| R | 11/14/99 | B1083 | 22,640 | 6,100 | 16,540 | 7,509,160 | 0.000107 | 14.310 | 2053691 |

Chris,

Please review the attached documents and confirm that this shipment is OK to ship.

We will ship these seven boxes Tuesday Afternoon (Nov. 16, 1999).

Bill Jacob

Chief Chemist

Freeport McMoRan Sulphur, LLC.

Freeport-McMoRan Sulphur LLC
Culberson Mine NORM Removal Project

PRELIMINARY ACTIVITY COUNTS

Count time is approximately 60 minutes per box. 4 counts per box at 15 minutes each.

15% added to readings as a radon "exhalation" factor

Each box contains approximately 16 joints of pipe, or approximately 8 cubic yards of material per box.

| | Date | Box Number | Gross Wt. LBS | Tare Wt. LBS | Net Wt. LBS | Net Wt. Grams | Total Activity Curies/Box | Total Activity pCi/gram | Shipping Manifest Number |
|---|----------|------------|---------------|--------------|-------------|---------------|---------------------------|-------------------------|--------------------------|
| R | 11/6/99 | 274132 | 23,540 | 6,700 | 16,840 | 7,645,360 | 0.000081 | 10.570 | 2053680 |
| R | 11/7/99 | 274302 | 22,160 | 6,700 | 15,460 | 7,018,840 | 0.000105 | 15.030 | 2053681 |
| R | 11/11/99 | 25502 | 21,520 | 6,100 | 15,420 | 7,000,680 | 0.000043 | 6.210 | 2053682 |
| R | 11/11/99 | 274085 | 20,540 | 6,100 | 14,440 | 6,555,760 | 0.000040 | 6.080 | 2053683 |
| R | 11/13/99 | 274309 | 22,340 | 6,100 | 16,240 | 7,372,960 | 0.000147 | 19.900 | 2053684 |

Chris,

Please review the attached documents and confirm that this shipment is OK to ship.
We will ship these five boxes Tuesday morning (Nov. 16, 1999).



Bill Jaco
Chief Chemist
Freeport McMoRan Sulphur, LLC.

Freeport-McMoRan Sulphur LLC
Culberson Mine NORM Removal Project

PRELIMINARY ACTIVITY COUNTS

Count time is approximately 60 minutes per box. 4 counts per box at 15 minutes each.

15% added to readings as a radon "exhalation" factor

Each box contains approximately 16 joints of pipe, or approximately 8 cubic yards of material per box.

| | Date | Box Number | Gross Wt LBS | Tare Wt LBS | Net Wt LBS | Net Wt Grams | Total Activity Curies/Box | Total Activity pCi/gram | Shipping Manifest Number |
|---|---------|------------|--------------|-------------|------------|--------------|---------------------------|-------------------------|--------------------------|
| • | 11/6/99 | 25S05 | 20,340 | 6,100 | 14,240 | 6,464,960 | 0.000051 | 7.950 | 2053673 |
| • | 11/6/99 | 20S39 | 21,470 | 6,100 | 15,370 | 6,977,980 | 0.000093 | 13.380 | 2053665 |
| • | 11/6/99 | 274173 | 22,700 | 6,700 | 16,000 | 7,264,000 | 0.000074 | 10.250 | 2053669 |
| | 11/6/99 | 20S40 | 20,600 | 6,100 | 14,500 | 6,583,000 | 0.000095 | 14.410 | 2053667 |
| | 11/9/99 | 274229 | 24,430 | 6,700 | 17,730 | 8,049,420 | 0.000145 | 18.050 | 2053675 |

Chris,

Please review the attached documents and confirm that this includes all of the information that you require.
Please confirm to me by phone at 915-445-0239 after your review.

These documents complete the shipment to your facility on Wednesday.



Bill Jaco
Chief Chemist
Freeport McMoRan Sulphur, LLC.

Freeport-McMoRan Sulphur LLC
Culberson Mine NORM Removal Project

PRELIMINARY ACTIVITY COUNTS

Count time is approximately 60 minutes per box. 4 counts per box at 15 minutes each.

15% added to readings as a radon "exhalation" factor

Each box contains 16 joints of pipe, or approximately 8 cubic yards of material per box.

| | Date | Box Number | Gross Wt. LBS | Tare Wt. LBS | Net Wt. LBS | Net Wt. Grams | Total Activity Curies/Box | Total Activity pCi/gram |
|--|---------|------------|------------------|-----------------|----------------|------------------|------------------------------|----------------------------|
| | 11/6/99 | 25S05 | 20,340 | 6,100 | 14,240 | 6,464,960 | 0.000086 | 13.344 |
| | 11/6/99 | 20S39 | 21,470 | 6,100 | 15,370 | 6,977,980 | 0.000163 | 23.409 |
| | 11/6/99 | 274042 | 21,250 | 6,700 | 14,550 | 6,605,700 | 0.000115 | 17.366 |
| | 11/6/99 | 274173 | 22,700 | 6,700 | 16,000 | 7,264,000 | 0.000129 | 17.733 |
| | 11/6/99 | 20S40 | 20,600 | 6,100 | 14,500 | 6,583,000 | 0.000165 | 25.050 |
| | 11/7/99 | 274328 | 21,720 | 6,700 | 15,020 | 6,819,080 | 0.000170 | 24.875 |
| | 11/7/99 | 274150 | 21,540 | 6,700 | 14,840 | 6,737,360 | 0.000182 | 27.000 |
| | 11/7/99 | 20S35 | 22,880 | 6,100 | 16,780 | 7,618,120 | 0.000179 | 23.550 |
| | 11/7/99 | 274302 | 22,160 | 6,700 | 15,460 | 7,018,840 | 0.000185 | 26.300 |

WCS Source Inventory Sheet

| <u>Isotope</u> | <u>Manu</u> | <u>Serial #</u> | <u>3/4/99</u> <u>Date</u> <u>OF CAL</u> | <u>Time Years</u> | <u>Half Life</u> | <u>Original</u> <u>Activity micro ci</u> | <u>Present</u> <u>Activity micro ci</u> | <u>DPM</u> |
|---------------------|-------------|-----------------|---|-------------------|------------------|---|--|------------|
| Individuals | | | | | | | | |
| CS-137 | Source | 97CS5002678 | 9/17/97 | 1.46E+00 | 3.02E+01 | 9.80E-01 | 9.48E-01 | 2.10E+06 |
| PU-239 | Source | 98PU4700988 | 3/19/98 | 9.59E-01 | 2.41E+04 | 1.67E-02 | 1.67E-02 | 3.71E+04 |
| TC-99 | Source | 98TC4700989 | 3/19/98 | 9.59E-01 | 2.13E+05 | 1.40E-02 | 1.40E-02 | 3.10E+04 |
| CO-60 | Source | 98CO5000990 | 3/24/98 | 9.45E-01 | 5.27E+00 | 5.00E-02 | 4.42E-02 | 9.80E+04 |
| PB-210 | Techniques | PB-210 #1 | 4/1/98 | 9.23E-01 | 2.23E+01 | 1.00E-01 | 9.72E-02 | 2.16E+05 |
| PU-239 | ISOTOPE | 564-11-2 | 6/15/98 | 7.18E-01 | 2.41E+04 | 6.77E-03 | 6.77E-03 | 1.50E+04 |
| CS-137 | ISOTOPE | 564-15-2 | 6/15/98 | 7.18E-01 | 3.02E+01 | 8.53E-03 | 8.39E-03 | 1.86E+04 |
| CS-137 | Techniques | CS 1 | 5/1/98 | 8.41E-01 | 3.02E+01 | 5.00E+00 | 4.90E+00 | 1.09E+07 |
| CS-137 | Techniques | CS 2 | 5/1/98 | 8.41E-01 | 3.02E+01 | 5.00E+00 | 4.90E+00 | 1.09E+07 |
| CS-137 | Techniques | CS 3 | 5/1/98 | 8.41E-01 | 3.02E+01 | 5.00E+00 | 4.90E+00 | 1.09E+07 |
| THORIUM | LANTERN | CAM TH | NA | NA | NA | NA | NA | NA |
| THORIUM | LANTERN | PMW2E | NA | NA | NA | NA | NA | NA |
| PB-210 | Source | 8722 | 9/23/98 | 4.44E-01 | 2.23E+01 | 9.00E-03 | 8.88E-03 | 1.97E+04 |
| SR-90 | Source | 98SR2504003 | 9/23/98 | 4.44E-01 | 2.85E+01 | 5.00E-01 | 4.95E-01 | 1.10E+06 |
| 500 ml soil | | | | | | | | |
| AM-241 | Analytcs | 55951-481 | 4/1/98 | 9.23E-01 | 4.32E+02 | 1.32E-01 | 1.32E-01 | 2.93E+05 |
| CD-109 | Analytcs | 55951-481 | 4/1/98 | 9.23E-01 | 1.27E+00 | 1.80E+00 | 1.09E+00 | 2.41E+06 |
| CO-57 | Analytcs | 55951-481 | 4/1/98 | 9.23E-01 | 7.45E-01 | 4.10E-02 | 1.74E-02 | 3.85E+04 |
| CE-139 | Analytcs | 55951-481 | 4/1/98 | 9.23E-01 | 3.77E-01 | 6.50E-02 | 1.19E-02 | 2.64E+04 |
| HG-203 | Analytcs | 55951-481 | 4/1/98 | 9.23E-01 | 1.28E-01 | 1.25E-01 | 8.32E-04 | 1.85E+03 |
| SN-113 | Analytcs | 55951-481 | 4/1/98 | 9.23E-01 | 3.15E-01 | 1.05E-01 | 1.38E-02 | 3.06E+04 |
| CS-137 | Analytcs | 55951-481 | 4/1/98 | 9.23E-01 | 3.02E+01 | 5.50E-02 | 5.38E-02 | 1.20E+05 |
| Y-88 | Analytcs | 55951-481 | 4/1/98 | 9.23E-01 | 2.92E-01 | 1.83E-01 | 2.05E-02 | 4.55E+04 |
| CO-60 | Analytcs | 55951-481 | 4/1/98 | 9.23E-01 | 5.27E+00 | 8.60E-02 | 7.62E-02 | 1.69E+05 |
| 1Liter Water | | | | | | | | |
| AM-241 | Analytcs | 55616-11 | 4/1/98 | 9.23E-01 | 4.32E+02 | 1.06E-01 | 1.06E-01 | 2.35E+05 |
| CD-109 | Analytcs | 55616-11 | 4/1/98 | 9.23E-01 | 1.27E+00 | 1.50E+00 | 9.02E-01 | 2.00E+06 |
| CO-57 | Analytcs | 55616-11 | 4/1/98 | 9.23E-01 | 7.45E-01 | 3.90E-02 | 1.65E-02 | 3.67E+04 |
| CE-139 | Analytcs | 55616-11 | 4/1/98 | 9.23E-01 | 3.77E-01 | 5.40E-02 | 9.90E-03 | 2.20E+04 |
| HG-203 | Analytcs | 55616-11 | 4/1/98 | 9.23E-01 | 1.28E-01 | 1.03E-01 | 1.89E-02 | 4.19E+04 |
| SN-113 | Analytcs | 55616-11 | 4/1/98 | 9.23E-01 | 3.15E-01 | 8.70E-02 | 5.79E-04 | 1.29E+03 |
| CS-137 | Analytcs | 55616-11 | 4/1/98 | 9.23E-01 | 3.02E+01 | 4.60E-02 | 6.05E-03 | 1.34E+04 |
| Y-88 | Analytcs | 55616-11 | 4/1/98 | 9.23E-01 | 2.92E-01 | 1.52E-01 | 1.49E-01 | 3.30E+05 |
| CO-60 | Analytcs | 55616-11 | 4/1/98 | 9.23E-01 | 5.27E+00 | 7.10E-02 | 7.94E-03 | 1.76E+04 |

Remarks: _____

Signature of Individual physically Verifying Source: _____

Date Form Created: 5/31/98

WCS Source Inventory Sheet

| | | | | A/S Disk | | | | | |
|--------|-----------|-----------|--------|-----------------|----------|----------|----------|----------|--|
| CD-109 | Analytics | 55850-481 | 4/1/98 | 9.23E-01 | 1.27E+00 | 5.46E-02 | 3.29E-02 | 7.31E+04 | |
| CO-57 | Analytics | 55850-481 | 4/1/98 | 9.23E-01 | 7.45E-01 | 2.98E-02 | 1.26E-02 | 2.80E+04 | |
| CE-139 | Analytics | 55850-481 | 4/1/98 | 9.23E-01 | 3.77E-01 | 4.35E-02 | 7.98E-03 | 1.77E+04 | |
| HG-203 | Analytics | 55850-481 | 4/1/98 | 9.23E-01 | 1.28E-01 | 8.51E-02 | 5.66E-04 | 1.26E+03 | |
| SN-113 | Analytics | 55850-481 | 4/1/98 | 9.23E-01 | 3.15E-01 | 5.71E-02 | 7.50E-03 | 1.67E+04 | |
| CS-137 | Analytics | 55850-481 | 4/1/98 | 9.23E-01 | 3.02E+01 | 3.93E-02 | 3.84E-02 | 8.54E+04 | |
| Y-88 | Analytics | 55850-481 | 4/1/98 | 9.23E-01 | 2.92E-01 | 1.45E-01 | 1.62E-02 | 3.59E+04 | |
| CO-60 | Analytics | 55850-481 | 4/1/98 | 9.23E-01 | 5.27E+00 | 7.15E-02 | 6.33E-02 | 1.41E+05 | |

Remarks: _____

Signature of Individual physically Verifying Source: _____

Date Form Created: 5/31/98

Lead test

Radiological Survey Report

Form 3.1.5-1

| | | | | | | | | | |
|---|--|---------------------|------------------------|----------|------------------|-----|-----|-----|--|
| Survey Number 2 RB 981070003 7/6/99 | | Date 7 1 99 | Time 1410 | | Instruments Used | | | | |
| RWP 99010001 | | Reason: | Surveyor: Steven Clark | Location | Model 65000 | | | | |
| DPM/100 CM ² UNLESS OTHERWISE NOTED | | Routine / QUARTERLY | S | Count | S/N 019802 | N/A | N/A | N/A | |
| | | | | Rm. | Cal Due 9399 | A | A | A | |
| | | Postings: | | | Bkg .1α / 1.45B | | | | |

| # | α | β/γ | NOTES | ID # | ISOTOPE |
|-----|------|------|--------|----------------------------|-----------------|
| 1. | ∅ | 3.5 | Source | 564-11-2 | Pu-239 |
| 2. | ∅ | ∅ | | PmWJE B | TH-232 |
| 3. | ∅ | 17.7 | | 55951-481 | Am-241, MIXED Y |
| 4. | ∅ | 7.1 | | 8722 | Pb-210 |
| 5. | 3.51 | 7.1 | | 08-98-2939 | Cs-137 |
| 6. | 7.0 | 10.6 | | 1 | Pb-210 |
| 7. | 7.0 | 7.1 | | 55856-481 | MIXED Y |
| 8. | ∅ | 3.5 | | 97CS5002678 | Cs-137 |
| 9. | ∅ | 10.6 | | 564-985R2504003 | Sy-90 |
| 10. | 7.0 | 42.5 | | 1 | Cs-137 |
| 11. | ∅ | 21.3 | | 2 and 3 | Cs-137 |
| 12. | ∅ | 7.1 | | 98CD5000990 | Co-60 |
| 13. | ∅ | 10.6 | | 98PU4700988 | Pu-239 |
| 14. | ∅ | 7.1 | | 98TC4700989 | Tc-99 |
| 15. | ∅ | 7.1 | | FRONT CAM | TH-232 |
| 16. | ∅ | 3.5 | Source | 564-15-2 | Cs-137 |
| 17. | | | | | |
| 18. | | | | | |
| 19. | | | | | |
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| 25. | | | | | |

COPY

| | | |
|-----------------------------------|----------------------------------|--------------|
| Count Rm Tech: <i>[Signature]</i> | Air Sample Reference Number: N/A | Remarks: N/A |
| Reviewed By: <i>[Signature]</i> | | |

Steadfast Insurance Company

Dover, Delaware

Administrative Offices - 1400 American Lane, Schaumburg, Illinois 60916-1056

Decontamination & Decommissioning Insurance Policy

DECLARATIONS

Policy Number: PLC 2887558 00

Item 1. Insured: Waste Control Specialists, LLC
Address: P.O. Box 1994
Pasadena, TX 50358

Item 2. Policy Period:

From: January 28, 1998 12:01 A.M., Standard Time at the address shown in Item 1 of these Declarations,

To: January 28, 1999 12:01 A.M., Standard Time at the address shown in Item 1 of these Declarations, subject to extension by endorsement, upon payment of additional premium.

Item 3. Covered Facility(ies): The coverage afforded under this Policy shall apply only to the following Facility(ies):

A copy of the complete and current filed Decommissioning Plan(s) for the Facility(ies) must be attached to this Policy.

Facility(ies): As Specified in Texas Department of Health Radioactive Material License # L04971

Item 4. Limit of Liability:

Facility(ies): \$ 5,462,813

Total Policy Aggregate: \$5,462,813

Item 5. Policy Premium: \$193,190 Deposit (Adjustable)

Broker: WEATHERBY-EISENRICH AGENCY
211 WEST BROADWAY
ANDREWS, TEXAS 79714

COUNTERSIGNED this 16th day of June, 1998 by Paul J. Keiser
Authorized Representative

STEADFAST INSURANCE COMPANY

Dover, Delaware

Administrative Offices - 1400 American Lane

Schaumburg, Illinois 60196-1056

DECONTAMINATION AND DECOMMISSIONING INSURANCE POLICY

This Policy has certain provisions and requirements unique to it and may be different from other policies an Insured may be insured under. Words in bold print have special meaning – Please refer to Section II. Definitions. Please read the policy carefully.

In consideration of payment of the premium as agreed and in reliance upon the statements in the Application and Declarations and subject to the Limits of Liability, Exclusions, Conditions and other terms of this Policy, Steadfast Insurance Company ("Company") agrees with the **NAMED INSURED** designated in the Declarations made a part hereof:

I. INSURING AGREEMENT

To pay on behalf of the **NAMED INSURED** for **DECONTAMINATION AND DECOMMISSIONING COSTS** for the **FACILITY** designated in the Declarations but only upon receipt by the Company of written determination by the **REGULATORY BODY** that the **NAMED INSURED** has **DEFAULTED**.

II. DEFINITIONS

A. **BODILY INJURY** means physical injury, sickness or disease, mental anguish or emotional distress when accompanied by physical injury, sustained by any person, including death resulting therefrom.

B. **CLAIM** means a written demand received by a **NAMED INSURED** seeking a remedy and alleging liability or responsibility on the part of a **NAMED INSURED**.

C. **CLEAN-UP COSTS** means expenses incurred in the removal or remediation of contaminants, irritants, or pollutants arising from a **POLLUTION EVENT**.

D. **DECONTAMINATION AND DECOMMISSIONING COSTS** mean costs expended to implement the **DECONTAMINATION AND DECOMMISSIONING PLAN**, but only up to the limit of liability shown in the Declarations

E. **DECOMMISSIONING PLAN** means the written decontamination and decommissioning plan attached to the Policy as Appendix A and made a part hereof, provided that such plan is filed, prepared, and documented in compliance with the law.

F. **DEFAULTED** means the existence and declaration by the **REGULATORY BODY** of the **NAMED INSURED'S** abandonment and/or closure of the **FACILITY**

without having satisfactorily decommissioned, decontaminated, reclaimed, restored and/or disposed of radioactive material and/or performed any other requirements imposed by the **REGULATORY BODY** pertaining to the decommissioning of the **FACILITY**, and/or has failed to comply with an order issued by the **REGULATORY BODY** pertaining to the aforementioned items.

- G. **FACILITY** means the location specified in the Texas Department of Health Radioactive Material License No. L04971 and stated in the Declarations.
- H. **NAMED INSURED** means the person or organization named in the Declarations.
- I. **POLLUTION EVENT** means the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, chemicals, liquids, gases, waste materials or any other irritants, contaminants or pollutants.
- J. **PROPERTY DAMAGE** means (a) physical injury to, or destruction of tangible property, including loss of use, profits or investments or diminution in value of property at any time resulting from the physical injury or destruction; or (b) the loss of use of tangible property which has not been physically injured or destroyed; or (c) any injury to, impairment of, or destruction of any intangible property or rights of any nature, whether related to tangible property or not.
- K. **REGULATORY BODY** means the "Texas Department of Health" or the "Texas Radiation Control Agency"

as specified in Section 401.001 of the Texas Health and Safety Code. The "Texas Department of Health" shall be designated as a beneficiary under this Policy.

III. EXCLUSIONS

This Policy does not apply to:

- A. **CLEAN-UP COSTS** incurred outside of the legal boundaries of the **FACILITY** unless incurred as part of the decommissioning of the **FACILITY**.
- B. **CLEAN-UP COSTS** incurred within the legal boundaries of the **FACILITY** unless incurred as part of the decommissioning of the **FACILITY**.
- C. **BODILY INJURY** or **PROPERTY DAMAGE**;
- D. any criminal or civil penalties including claims for damages to natural resources;
- E. any legal fees or expenses including expert or consultant fees incurred in the defense of the **NAMED INSURED** for any reason arising out of the **DECONTAMINATION AND DECOMMISSIONING** of the **FACILITY**;

IV. LIMIT(S) OF LIABILITY

- A. The limit(s) of liability stated in the Declarations is the most that the Company will pay for Decontamination and Decommissioning Costs under this Policy.

In the event of cancellation of the Policy for non-payment of premium, the limits of liability shall be subject to the conditions outlined in Section V., paragraph G of this policy. In no event shall the Company pay more than the Limit of Liability stated in the Declarations.

V. CONDITIONS

- A. **PREMIUM:** The full policy premium for coverage hereunder shall be payable in accordance with the schedule set forth in Item 5A of the Declarations. It is a condition precedent of coverage under this policy that the full amount of each premium installment be actually received by the Company in accordance with said schedule for coverage to be, or continue to be, effective.
- B. **INSPECTION AND AUDIT:** The Company or its designee shall be permitted but not obligated to inspect the **NAMED INSURED'S FACILITY** at any time. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the **NAMED INSURED** or others, to determine or warrant that such property or operations are safe or healthful or are in compliance with any law, rule or regulation. The Company or its designee may examine and audit the **NAMED INSURED'S** books and records at any time during the Policy Period and extensions thereof as far as they relate to the subject matter of this insurance for which coverage is provided whether or not this policy has expired at the time.
- C. **ACTION AGAINST COMPANY:** No action shall lie against the Company unless, as a condition precedent thereto, the **NAMED INSURED** shall have fully complied with all the terms and conditions hereof, including payment of premium installments as set forth in Conditions, Section V., paragraph A; but in no event shall action lie against the Company by any party not a party to this contract.
- D. **ASSIGNMENT:** This Policy may not be assigned to a successor owner or operator of any **FACILITY** without the consent of the Company, which shall not be unreasonably withheld provided the Company shall have received 60 days prior written notice of such intent to assign.
- E. **REGULATORY PROVISIONS:** Any term or condition of this policy to which any federal or state administrative or regulatory provisions apply shall be governed only by those regulations or provisions in effect at the inception date of this policy.
- F. **CANCELLATION AND NON-RENEWAL:** The Company shall not cancel, terminate, or fail to renew the coverage(s) provided herein except for failure to pay the full premium when due, or as a result of fraud or misrepresentation on the part of the **NAMED INSURED** or its agents in the procurement of this policy or any subsequent endorsements, amendments or modifications thereto. The Company shall notify the **NAMED INSURED** of its intent to cancel, terminate or non-renew by

sending, by certified mail, to the **NAMED INSURED** at the address shown in this policy and to the **REGULATORY BODY**, written notice stating the date (not less than 90 days thereafter) that cancellation shall be effective allowing time for receipt of notice on which such cancellation shall be effective. In the event that the Company fails to provide sufficient notice of non-renewal, the policy will automatically renew for a period of one year.

This policy may be canceled by the **NAMED INSURED** pursuant to applicable statute, by mailing to the Company written notice stating the date (not less than 90 days thereafter) that cancellation shall be effective. In order to be binding, notice to the Company of the **NAMED INSURED'S** intent to cancel or non-renew this policy must contain documentation that a replacement instrument has been provided to and accepted by the **REGULATORY AUTHORITY**.

In the event of (i) cancellation or non-renewal by the **NAMED INSURED** or (ii) cancellation by the Company for nonpayment of premium, the full Policy Premium shown in Item 5 of the Declarations or any partial premium payments made to date shall be deemed earned and the unpaid portion thereof shall be immediately due and payable.

In the event of cancellation or non-renewal, the **NAMED INSURED** must submit replacement coverage to the **REGULATORY BODY** within thirty (30) days of receiving notice of cancellation or non-renewal. If the **NAMED INSURED** fails to submit

replacement coverage as required to the **REGULATORY BODY** within thirty (30) days after receipt of notice of cancellation, the Company upon written notification by the **REGULATORY BODY** shall pay the full face amount as designated as the Limit of Liability on the Declarations of the Policy to the **REGULATORY BODY**. The **NAMED INSURED** agrees to reimburse the Company immediately upon demand for any amount paid by the Company to the **REGULATORY BODY** in lieu of replacement coverage and the **NAMED INSURED** further agrees to indemnify the Company for any loss, cost or expense, including any attorney fees, incurred or sustained as a result of such advancement of funds to the **REGULATORY BODY**.

Upon the effective date of cancellation by the **NAMED INSURED** any and all obligations on the part of the Company hereunder shall automatically cease and the **NAMED INSURED** shall have no further recourse against the Company with respect to unpaid **DECONTAMINATION AND DECOMMISSIONING COSTS** or any other loss, costs or expenses whatsoever.

G. INSURED'S DUTIES IN THE EVENT OF DECOMMISSIONING:

1. The **NAMED INSURED** shall provide the Company with a duplicate of any notice it is required by law to give to the **REGULATORY BODY** regarding the event of

**DECONTAMINATION AND
DECOMMISSIONING.**

2. In the event that **DECONTAMINATION AND DECOMMISSIONING** results from the assertion of a **CLAIM** by a third party including any **REGULATORY BODY**, the **NAMED INSURED** shall immediately forward to the Company any demand or notice regarding the **DECONTAMINATION AND DECOMMISSIONING** received by the **NAMED INSURED** or their representative.

The **NAMED INSURED** shall cooperate with the Company and, upon the Company's request, assist in obtaining information relative to any **DECONTAMINATION AND DECOMMISSIONING**.

3. Any notices required by these conditions shall be sent to:

Environmental Counsel
Zurich American Specialties
1 Liberty Plaza, 53rd Fl.
New York, New York 10006

AND

Manager-Environmental Claims
Zurich Insurance Company
Environmental Claims Office
1400 American Lane
Schaumburg, Illinois 60196

- H. **APPLICATION AND DECLARATIONS:** By acceptance of this policy, the **NAMED INSURED** agrees that the statements

in the application and Declarations are their agreements and representations and that they form a part of this policy, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between the **NAMED INSURED** and the Company or any of its agents, relating to this insurance.

- I. **CONCEALMENT, FRAUD:** In the event that, either before or after claim for **DECONTAMINATION AND DECOMMISSIONING COSTS** is first made, the **NAMED INSURED** has willfully concealed or misrepresented any fact, whether material or not, or circumstance concerning this insurance or the subject of it, including any claim for loss, or the interest of the **NAMED INSURED** in it or in any case of any fraud or false swearing by the **NAMED INSURED** relating to this insurance or its subject, then the **NAMED INSURED** shall indemnify the Company in full for any and all loss, damage or expense which the Company sustains or will sustain by reason of such actions by the **NAMED INSURED**. Such willful concealment or misrepresentation may, at the sole discretion of the Company, void the policy.
- J. **CHANGES:** Notices to any agent or broker or knowledge possessed by any agent, broker or by any other person shall not effect a waiver or a change in any part of this policy or stop the Company from asserting any right under the terms of the policy; nor shall the terms of this policy be waived or changed nor shall any

privilege or permission affecting the insurance under this policy exist or be claimed by the **NAMED INSURED**, except by endorsement signed by both the **NAMED INSURED** and the Company issued to form part of this policy.

K. **SUBROGATION:** In the event of any payment under this policy, the Company shall be subrogated to all the **NAMED INSURED'S** rights of recovery against any person or organization and the **NAMED INSURED** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **NAMED INSURED** shall do nothing after loss to prejudice such rights.

L. **SOLE AGENT:** The **NAMED INSURED** named in Item 1 of the Declarations shall act on behalf of all **INSUREDS** for the payment or return

of premium, receipt and acceptance of any endorsement issued to form a part of this policy, giving and receiving notice of cancellation or non-renewal.

M. **INSOLVENCY OF THE INSURED:** Bankruptcy or insolvency of the **INSURED** shall not relieve the Company of its obligations under this policy.

N. **LOSS PAYEE AND BENEFICIARY:** The Company agrees that the Policy is payable to the Radiation and Perpetual Care Fund, established in the state treasury pursuant to Texas Health and Safety code Section 401.305, or other trust acceptable to the **REGULATORY BODY** under the control of a trustee or other entity that has authority to act as trustee and whose trust operations are regulated and examined by a federal or state agency.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

| POLICY NUMBER | EFF. DATE OF POL. | EXP. DATE OF POL. | EFF. DATE OF END. | PRODUCER | ADD'L PREM. | RETURN PREM. |
|-----------------|-------------------|-------------------|-------------------|----------|-------------|--------------|
| PLC 2887558- 00 | 1/28/98 | 1/28/99 | 1/28/98 | | N/A | N/A |

This endorsement is issued by the company named in the Declarations. It changes the policy on the effective date listed above at the hour stated in the Declarations.

NAMED INSURED: Waste Control Specialists, LLC

ADDRESS: P.O. Box 1994
Pasadena, TX 50358

Retrospective Rating Plan

.. is hereby understood and agreed that Item 5. POLICY PREMIUM of the Declarations is subject to a Retrospective Rating Plan as follows:

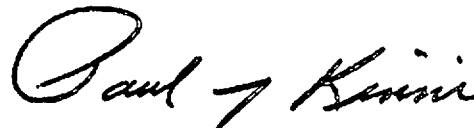
At termination, this policy will be subject to a retrospective rating calculation using the formula:

Retrospective Premium = Basic Premium + (Incurred Losses x LCF)

where: Basic Premium = \$129,695
LCF = 1.08

All Retrospective Premium calculations will be subject to Minimum Premium of \$130,845 and Maximum Premium of \$193,190, unless the Policy is modified by endorsement.

All other terms and conditions remain unchanged.

Countersigned this 16th day of June, 1998 
Authorized Representative

Steadfast Insurance Company

Endorsement
#2

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

| POLICY NUMBER | EFF. DATE OF POL. | EXP. DATE OF POL. | EFF. DATE OF END. | PRODUCER | ADD'L PREM. | RETURN PREM. |
|-----------------|-------------------|-------------------|-------------------|----------|-------------|--------------|
| PLC 2887558- 00 | 1/28/98 | 1/28/99 | 1/28/98 | 09-989 | N/A | N/A |

This endorsement is issued by the company named in the Declarations. It changes the policy on the effective date listed above at the hour stated in the Declarations.

NAMED INSURED: Waste Control Specialists, LLC

ADDRESS: P.O. Box 1994
Pasadena, TX 50358

Additional Insured

In consideration of the revised premium paid, it is hereby understood and agreed that the following entities are included as Additional Insured, but solely for Claims for Decontamination and Decommissioning Costs covered under this policy.

Birmingham Steel Corporation
1000 Urban Center Parkway
Birmingham, AL 35242

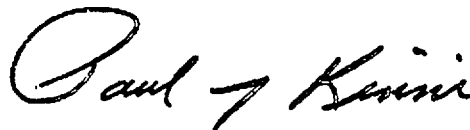
All other terms and conditions remain unchanged.

Countersigned this

16th

day of

June, 1998



Authorized Representative

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Steadfast Insurance Company

**Endorsement
#3**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

| POLICY NUMBER | EFF. DATE OF POL. | EXP. DATE OF POL. | EFF. DATE OF END. | PRODUCER | ADD'L PREM. | RETURN PREM. |
|-----------------|-------------------|-------------------|-------------------|----------|-------------|--------------|
| PLC 2887558- 00 | 1/28/98 | 1/28/99 | 1/28/98 | 09-989 | \$97,285 | N/A |

This endorsement is issued by the company named in the Declarations. It changes the policy on the effective date listed above at the hour stated in the Declarations.

NAMED INSURED: Waste Control Specialists, LLC

ADDRESS: P.O. Box 1994
Pasadena, TX 50358

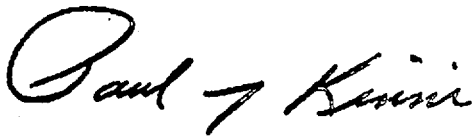
Limit of Liability

In consideration of the revised premium plan outlined in Endorsement #4 of this policy, it is hereby understood and agreed that Item 4. LIMIT OF LIABILITY of the Declarations is deleted and replaced with the following:

Item 4. Limit of Liability:

| | |
|-------------------------|--------------|
| Waste Unit A: | \$16,845,318 |
| Total Policy Aggregate: | \$16,845,318 |

All other terms and conditions remain unchanged.

Countersigned this 16th day of June, 1998 
Authorized Representative

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Steadfast Insurance Company

**Endorsement
#4**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

| POLICY NUMBER | EFF. DATE OF POL. | EXP. DATE OF POL. | EFF. DATE OF END. | PRODUCER | ADD'L PREM. | RETURN PREM. |
|-----------------|-------------------|-------------------|-------------------|----------|-------------|--------------|
| PLC 2887558- 00 | 1/28/98 | 1/28/99 | 1/28/98 | 09-989 | N/A | N/A |

This endorsement is issued by the company named in the Declarations. It changes the policy on the effective date listed above at the hour stated in the Declarations.

NAMED INSURED: Waste Control Specialists, LLC

ADDRESS: P.O. Box 1994
Pasadena, TX 50358

Retrospective Rating Plan

It is hereby understood and agreed that this endorsement supersedes Endorsement #1. Item 5. POLICY PREMIUM of the Declarations is subject to a Retrospective Rating Plan as follows:

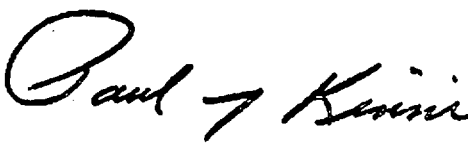
At termination, this policy will be subject to a retrospective rating calculation using the formula:

$\text{Retrospective Premium} = \text{Basic Premium} + (\text{Incurred Losses} \times \text{LCF})$

where: Basic Premium = \$210,980
LCF = 1.08

All Retrospective Premium calculations will be subject to Minimum Premium of \$228,130 and Maximum Premium of \$290,475, unless the Policy is modified by endorsement.

All other terms and conditions remain unchanged.

Countersigned this 16th day of June 1998 
Authorized Representative

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

| POLICY NUMBER | EFF. DATE OF POL. | EXP. DATE OF POL. | EFF. DATE OF END. | PRODUCER | ADD'L PREM. | RETURN PREM. |
|-----------------|-------------------|-------------------|-------------------|----------|-------------|--------------|
| PLC 2887558- 00 | 1/28/98 | 1/28/99 | 1/28/98 | 09-989 | \$86,700 | N/A |

This endorsement is issued by the company named in the Declarations. It changes the policy on the effective date listed above at the hour stated in the Declarations.

NAMED INSURED: Waste Control Specialists, LLC

ADDRESS: P.O. Box 1994
Pasadena, TX 50358

Limit of Liability

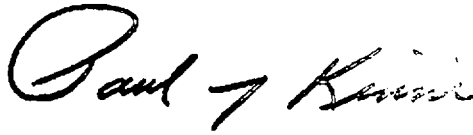
In consideration of the revised premium plan outlined in Endorsement #6 of this policy, it is hereby understood and agreed that Item 4. LIMIT OF LIABILITY of the Declarations is deleted and replaced with the following:

Item 4. Limit of Liability:

Waste Unit A: \$31,259,457

Total Policy Aggregate: \$31,259,457

All other terms and conditions remain unchanged.

Countersigned this 16th day of June, 1998 
Authorized Representative

Steadfast Insurance Company

Endorsement

#6

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

| POLICY NUMBER | EFF. DATE OF POL. | EXP. DATE OF POL. | EFF. DATE OF END. | PRODUCER | ADD'L PREM. | RETURN PREM. |
|-----------------|-------------------|-------------------|-------------------|----------|-------------|--------------|
| PLC 2887558- 00 | 1/28/98 | 1/28/99 | 1/28/98 | 09-989 | N/A | N/A |

This endorsement is issued by the company named in the Declarations. It changes the policy on the effective date listed above at the hour stated in the Declarations.

NAMED INSURED: Waste Control Specialists, LLC

ADDRESS: P.O. Box 1994
Pasadena, TX 50358

In consideration of the premium paid, in regard to Item 3. Of the Declarations Page, the attached Appendix A, Waste Control Specialists, LLC's *Radioactive Waste Processing & Storage Facility Decommissioning Plan*, shall become part of the Declarations Page, the Policy, the endorsements and any future endorsements and amendments.

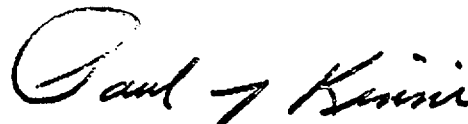
All other terms and conditions remain unchanged.

Countersigned this

16th

day of

June 1998



Authorized Representative

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

| POLICY NUMBER | EFF. DATE OF POL. | EXP. DATE OF POL. | EFF. DATE OF END. | PRODUCER | ADD'L. PREM. | RETURN PREM. |
|-----------------|-------------------|-------------------|-------------------|----------|--------------|--------------|
| PLC 2887558- 00 | 1/28/98 | 1/28/99 | 1/28/98 | 09-989 | N/A | N/A |

This endorsement is issued by the company named in the Declarations. It changes the policy on the effective date listed above at the hour stated in the Declarations.

NAMED INSURED: Waste Control Specialists, LLC

ADDRESS: P.O. Box 1994
Pasadena, TX 50358

Retrospective Rating Plan

It is hereby understood and agreed that this endorsement supersedes Endorsement #4. Item 5. POLICY PREMIUM of the Declarations is subject to a Retrospective Rating Plan as follows:

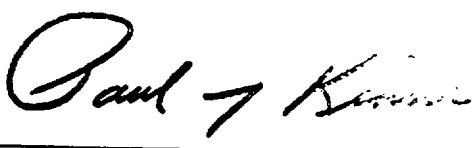
At termination, this policy will be subject to a retrospective rating calculation using the formula:

Retrospective Premium = Basic Premium + (Incurred Losses x LCF)

where: Basic Premium = \$295,162
LCF = 1.08

All Retrospective Premium calculations will be subject to Minimum Premium of \$314,830 and Maximum Premium of \$377,175, unless the Policy is modified by endorsement.

All other terms and conditions remain unchanged.

Countersigned this 16th day of June 1998 
Authorized Representative

APPENDIX A

WASTE CONTROL SPECIALISTS, LLC

RADIOACTIVE WASTE PROCESSING AND STORAGE FACILITY DECOMMISSIONING PLAN

Decommissioning Plan

Radioactive contamination is controlled by containing it at the source, minimizing the size and number of contaminated areas and the amount of loose surface activity in the contaminated areas. During facility lifetime, the facility will be operated in a manner that reduces the spread of contamination. This approach to contamination control will minimize the decontamination at the end of the facility lifetime and will facilitate cost-effective decommissioning of the facility. The Radiological Safety Program (described in Section 9.C. of the Licensing Application) and Appendix "Radiological Control Manual" provides for the contamination surveys and controls to ensure that radiologically safe conditions exist for employees and the public.

Radiological Assessment of Contamination

Radiological assessment of contamination of materials, equipment and buildings include radiological surveys by instrument, smear and sampling. Surveys are conducted by procedure and documented (Appendices "Radiological Control Manual" and "Radiation Safety Procedures").

Decontamination Criteria

Decontamination of materials, equipment and buildings is by written procedure and is based on the type of contamination present and the composition of the contaminated object or material. Decontamination will be in accordance with the requirements of TRCR 21.1301 through 21.1304. Methods include, but are not limited to:

- Vacuuming;
- Washing with water;
- Washing with detergent and water;
- Washing with complexing agents;
- Washing with solvents; and
- Abrasion.

Release Criteria

Materials, equipment and buildings are not released for unrestricted use until radioactive surface contamination levels are below the limits specified in Table 2-2 of the WCS Radiological Control Manual, Acceptable Surface Contamination Levels, which is in accordance with TRCR Appendix 21-G.

Uncontaminated Disposal

Uncontaminated materials, equipment and buildings may be released for unrestricted use by members of the general public or disposed as normal waste.

Contaminated Disposal

Contaminated materials, equipment and buildings are evaluated to determine the feasibility of decontamination to the levels specified in Table 2-2 of the WCS Radiological Control Manual and TRCR Appendix 21-G. If it is not feasible to decontaminate materials or equipment, they are packaged and disposed as radioactive waste. Building that cannot be decontaminated are razed and the resulting material is packaged and disposed as radioactive waste.

Soil Surveys and Sampling

Soil surveys and sampling to assess radiological contamination are conducted using recognized methodologies. Soil survey samples are processed by an accredited laboratory. Soils are not considered to be contaminated when activities present are less than those identified in TRCR Appendix 21-I. Soil survey results are documented.

Post-cleanup Surveys

Post-cleanup surveys are conducted by methodologies similar to the protocols for establishing contamination of soils, ground water and vegetation. Survey results are documented.

Measurement Methodology

Instrumentation and analytical methods are selected based on evaluation of conditions, radiation levels expected, type of radiation, isotopic composition and chemical form. Quality assurance is based on statistical sampling, split samples, instrument quality assurance programs and analytical quality assurance programs. Compliance with the quality assurance programs is documented and auditable.

This Endorsement changes the Policy. Please read it carefully

| POLICY NUMBER | EFF. DATE OF POL. | EXP. DATE OF POL. | EFF. DATE OF END. | PRODUCER | ADD'L PREM. | RETURN PREM. |
|----------------|-------------------|-------------------|-------------------|----------|-------------|--------------|
| PLC 2887558-00 | 1/28/98 | 1/28/99 | 6/16/98 | 09-989 | N/A | \$53,667 |

NAMED INSURED: Waste Control Specialists, LLC

ADDRESS: P.O. Box 1994
Pasadena, TX 50358

Limit of Liability

In consideration of the revised premium plan outlined in Endorsement No. 9 of this policy, it is hereby understood and agreed that Item 4. LIMIT OF LIABILITY of the Declarations is deleted and replaced with the following:

- Item 4. Limit of Liability:
 - Waste Unit A: \$18,467,478
 - Total Policy Aggregate: \$18,467,478

All other terms and conditions remain unchanged.

Countersigned this 28th day of August, 1998 Paul J. Kinn
Authorized Representative

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This Endorsement changes the Policy. Please read it carefully

| POLICY NUMBER | EFF. DATE OF POL. | EXP. DATE OF POL. | EFF. DATE OF END. | PRODUCER | ADD'L PREM. | RETURN PREM. |
|----------------|-------------------|-------------------|-------------------|----------|-------------|--------------|
| PLC 2887558-00 | 1/28/98 | 1/28/99 | 6/16/98 | 09-989 | N/A | N/A |

NAMED INSURED: Waste Control Specialists, LLC

ADDRESS: P.O. Box 1994
Pasadena, TX 50358

Retrospective Rating Plan

It is hereby understood and agreed that this endorsement supersedes Endorsement No. 7. Item 5 POLICY PREMIUM of the Declarations is subject to a Retrospective Rating Plan as follows:

At termination, this policy will be subject to a retrospective rating calculation using the formula:

$$\text{Retrospective Premium} = \text{Basic Premium} + (\text{Incurred Losses} \times \text{LCF})$$

where: Basic Premium = \$253,630
LCP = 1.08

All Retrospective Premium calculations will be subject to Minimum Premium of \$261,163 and Maximum Premium of \$323,508.

All other terms and conditions remain unchanged.

Countersigned this 28th day of August, 1998



Authorized Representative

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STEADFAST INSURANCE COMPANY

Endorsement No. 10

This Endorsement changes the Policy. Please read it carefully.

| POLICY NUMBER | EFF. DATE OF POLICY | EXP. DATE OF POLICY | EFF. DATE OF END. | PRODUCER | ADD'L PREM. | RETURN PREM. |
|----------------|---------------------|---------------------|-------------------|----------|-------------|--------------|
| PLC 2887558-00 | 1/28/98 | 1/28/99 | 6/16/98 | 09-989 | N/A | N/A |

NAMED INSURED: Waste Control Specialists, LLC

ADDRESS: P.O. Box 1994
Pasadena, TX 50358

It is hereby understood and agreed that Endorsement No. 8 of this policy is deleted in its entirety and replaced with the following:

Limit of Liability

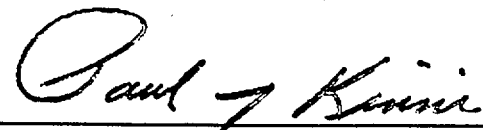
In consideration of the revised premium plan outlined in Endorsement No. 9 of this policy, it is hereby understood and agreed that Item 4. LIMIT OF LIABILITY of the Declarations is deleted and replaced with the following:

Item 4. Limit of Liability:

\$18,467,478 For each Claim
\$18,467,478 Total Policy Aggregate

All other terms and conditions remain unchanged.

Countersigned this 19TH day of OCTOBER



Authorized Representative

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STEADFAST INSURANCE COMPANY

Endorsement No. 11

This Endorsement changes the Policy. Please read it carefully.

| POLICY NUMBER | EFF. DATE OF POLICY | EXP. DATE OF POLICY | EFF. DATE OF END. | PRODUCER | ADD'L PREM. | RETURN PREM. |
|----------------|---------------------|---------------------|-------------------|----------|-------------|--------------|
| PLC 2887558-00 | 1/28/98 | 1/28/99 | 1/28/98 | 09-989 | N/A | N/A |

NAMED INSURED: Waste Control Specialists, LLC

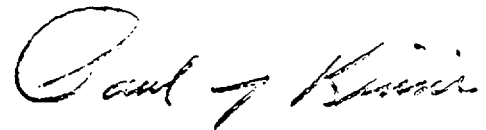
ADDRESS: P.O. Box 1994
Pasadena, TX 50358

It is hereby understood and agreed that Item E. of Section V. CONDITIONS, is deleted in its entirety and replaced with the following:

E. REGULATORY PROVISIONS: Any term or condition of this policy to which any federal or state administrative or regulatory provisions apply shall be governed only by those regulations or provisions in effect at the inception date of this policy or at each annual renewal date if the policy is extended.

All other terms and conditions remain unchanged.

Countersigned this 19TH day of OCTOBER



Authorized Representative

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STEADFAST INSURANCE COMPANY

Endorsement No. 12

This Endorsement changes the Policy. Please read it carefully.

| POLICY NUMBER | EFF. DATE OF POLICY | EXP. DATE OF POLICY | EFF. DATE OF END. | PRODUCER | ADD'L PREM. | RETURN PREM. |
|----------------|---------------------|---------------------|-------------------|----------|-------------|--------------|
| PLC 2887558-00 | 1/28/98 | 1/28/99 | 1/28/98 | 09-989 | N/A | N/A |

NAMED INSURED: Waste Control Specialists, LLC

ADDRESS: P.O. Box 1994
Pasadena, TX 50358

It is hereby understood and agreed that any provision of this Policy inconsistent with the regulations of Title 25 Texas Administrative Code Chapter 289 s201, s202, s252 and s254; and Texas Regulations for Control of Radiation Parts 12, 13, and 22 is hereby amended to eliminate such inconsistency.

All other terms and conditions remain unchanged.

Countersigned this 19TH day of OCTOBER


Authorized Representative

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STEADFAST INSURANCE COMPANY

Endorsement No. 13

This Endorsement changes the Policy. Please read it carefully.

| POLICY NUMBER | EFF. DATE OF POLICY | EXP. DATE OF POLICY | EFF. DATE OF END. | PRODUCER | ADD'L PREM. | RETURN PREM. |
|----------------|---------------------|---------------------|-------------------|----------|-------------|--------------|
| PLC 2887558-00 | 1/28/98 | 1/28/99 | 1/28/98 | 09-989 | N/A | N/A |

NAMED INSURED: Waste Control Specialists, LLC

ADDRESS: P.O. Box 1994
Pasadena, TX 50358

It is hereby understood and agreed that Endorsement No. 2 of this policy is deleted in its entirety and replaced with the following:

Additional Insured(s)

It is hereby understood and agreed that the following entities are included as Additional Insured(s), but solely for Claims for Decontamination and Decommissioning Costs covered under this policy:

Birmingham Steel Corporation
1000 Urban Center Parkway
Birmingham, AL 35242

GPM Gas Services Company, a Div. of Phillips Petroleum
4044 Penbrook
Odessa, TX 79762

Industrial Waste Technologies
99 Chapel Street
Newark, NJ 07105

NALCO Chemical Company
One NALCO Center
Naperville, IL 60563-1198

Navistar Financial Corporation and Harco Leasing
2850 West Golf Road
Rolling Meadows, IL 60008-4036

PACCAR, Inc.
P.O. Box 1518
Bellevue, WA 98004

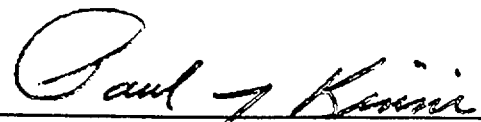
RAILTEX
4040 West Broadway No. 200
San Antonio, TX 78209

Safety-Kleen Corporation
1000 North Randall
Elgin, IL 60123-7857

CET Environmental Services
170 West Dayton, Suite 106-A
Edmonds, WA 98020

All other terms and conditions remain unchanged.

Countersigned this 19TH day of OCTOBER



Authorized Representative

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TEXAS DEPARTMENT OF HEALTH

MEMO

To: Ruth McBurney, Director *RM*
Division of Licensing, Registration and Standards

Thru: Pete Myers, Deputy Director *PM*
Licensing

From: Philip Shaver, Chief *PS*
Special Licensing Program

Subject: Waste Control Specialists Letter of 2/22/00 to Dr. Carl Paperiello

Date: 3/3/00

I wish to point out some items to which I take exception in the Waste Control Specialists (WCS) letter dated February 22, 2000 addressed to Dr. Carl Paperiello of the Nuclear Regulatory Commission.

The second sentence in the second paragraph implies that WCS has authorization for an unlimited amount of radioactive waste. The fact is that Conditions 7 and 23 of Radioactive Material License No. L04971 limits WCS in terms of activities and quantities, respectively.

The last sentence in the second paragraph speaks of WCS' plans to construct ... shield storage ... The license does not currently authorize such a facility and to date we have not received a request from WCS to so amend their license to allow for a modification to an existing structure or the inclusion of a new structure of this nature. To date none of the amendment requests received from WCS have requested an expansion of the facility or an increase in the activity or quantity of radioactive waste which they are currently authorized to received.

Finally, Paul Lohaus of the NRC's Office of State Programs requested that any comments which we may have concerning the subject letter be forwarded to his office. Please feel free to forward these comments, if you wish.