

**SABIA** INC

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May 17, 2004

United States Nuclear Regulatory Commission
Materials Safety Branch
Division of Industrial Safety and Material Nuclear Safety
Two White Flint North
11545 Rockville Pike
Rockville, MD 20852
Attention: Ms. Kathryn Brock
Mail Stop: 8F5

Via FAX: 1-301-415-7010

Dear Ms. Brock:

The purpose of this letter is to request that your office perform an expedited review of the device registration of the SABIA Model S-3 Source Housing, a device that is presently under review by your office. The normal review process and review times would cause extreme financial hardship for our company.

SABIA Inc. is an employee-owned small business that was incorporated in 2000. It has self-funded its product and business development through a combination of i) private loans from employees, economic development agencies, friends, and family, ii) research grants from the State of California, the NIH, and the DOE, and iii) commercial revenues from providing maintenance services for nuclear instruments.

SABIA Inc. has developed analyzers for measuring the elemental composition of ore as it comes from the ground or is processed for industrial use. The real-time analysis allows significant cost savings in the preparation and use of coal and cement and enhancement of product-quality, which improve the cost effectiveness of those industries. The analyzers incorporate neutron sources that enable the measurements.

In order for SABIA Inc. to continue in business, it must have the opportunity of selling and distributing these analyzers. Otherwise, SABIA Inc. may be forced into bankruptcy with associated harm to founders, creditors, and employees who would lose their employment. In addition, those industrial companies that have allowed the first analyzers

to be installed at their sites for finalizing the analyzer development and have modified their processes to benefit from use of an analyzer would be harmed from loss of the resources they have expended and loss of the benefits they anticipate receiving from analyzer use.

SABIA Inc. initially obtained a license to service instruments containing nuclear sources, then obtained a license to possess sources for research and development purposes, and then obtained a license for placing a device at an industrial site for research and development purposes from the State of California. Under a separate radioactive materials license with the State of Colorado, two devices were placed in Colorado, one underground in a coalmine and one for finished-product coal where the coal is loaded onto trains at a coal mine. As soon as sufficient data had been obtained, an application was submitted for a device registration to allow the devices to be distributed. After six months, after responding to all inquiries about the application and at the time when we thought a device registration was being granted, the State of Colorado made the decision not to issue a device registration from Colorado for the reason that the place of manufacture and the headquarters of SABIA Inc. are not in Colorado.

When we received that information, we immediately submitted an application to the NRC to obtain a device registration.

We have followed the guidelines for obtaining a device registration, but unforeseen circumstances have placed us in a situation that could impose irreparable damage to SABIA Inc. if we are not able to quickly obtain permission to manufacture and distribute analyzers.

The analyzers that are installed must be allowed to operate until a device license is granted and we must be allowed to sell analyzers to continue as a viable company.

Thank you for your prompt attention to this matter. If there are any further questions, please contact me.

Sincerely,



Clinton L. Lingren, President
clingren@sabiainc.com