



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, ILLINOIS 60532-4352

FEB 24 2005

Rakesh Sarman, Ph.D.
CEO & President
Imaging Subsurface, Inc.
24144 Wintergreen Circle
Novi, MI 48374

**SUBJECT: TERMINATION OF YOUR NRC RADIOACTIVE MATERIALS LICENSE AND
WITHDRAWAL OF PROPOSED CIVIL PENALTY**

Dear Dr. Sarman:

The NRC Form 314 "Certificate of Disposition of Materials" dated January 29, 2005, which you provided to the U.S. Nuclear Regulatory Commission Region III office indicated that you wished to terminate your NRC radioactive materials license. Based on our review of the information you provided, we have concluded that all licensable radioactive material has been removed from your facility and appropriately transferred to the manufacturer. Based on this conclusion, no further remediation or actions with respect to NRC regulated material is required. Your NRC License No. 21-32050-01 is hereby terminated.

This letter also refers to our previous letters to you dated August 17, and December 14, 2004. Our August 2004 letter transmitted a Notice of Violation and Proposed Imposition of Civil Penalty - \$3,000 (Notice) for a Severity Level III violation associated with your inappropriate storage and control of NRC-licensed materials (EA-04-092). Our December 2004 letter transmitted NRC Inspection Report 0303461/2004-002(DNMS) which documented three Unresolved Items (URIs) associated with your use of an unauthorized storage location, failure to conduct required sealed source leak-tests at the required 6-month intervals, and failure to lock two gauges while in storage. Since these letters were issued, you transferred all NRC-licensed materials to the manufacturer and requested termination of your NRC license. Based upon your actions and our termination of your NRC license, I have been authorized, after consultation with the Director, Office of Enforcement, and in accordance with Section VII.B.6 of the "General Statement and Procedures for NRC Enforcement Actions" (Enforcement Policy), to withdraw the requirement for you to respond to the Notice and to remit the Civil Penalty. Similarly, as a result of our termination of your NRC license, we have no further questions regarding the three URIs and consider these items closed.

In accordance with 10 CFR 2.390 of the NRC's "Rules of General Applicability," a copy of this letter and its enclosure will be available electronically in the NRC Public Document Room or from the Publicly Available Records (PARS) component of the NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Please note that on October 25, 2004, the NRC terminated public access to ADAMS and initiated an additional security review of publicly available documents to ensure that potentially sensitive information is removed from the ADAMS database accessible through the NRC's web site. Interested members of the public may obtain copies of the referenced documents for review and/or copying by contacting the Public Document Room pending resumption of public access to ADAMS. The NRC Public Documents Room is located at NRC Headquarters in Rockville, MD, and can be contacted at (800) 397-4209.

If you have any further questions, please contact Kevin Null of my staff at (630) 829-9854.

Sincerely,

A handwritten signature in black ink that reads "James L. Caldwell". The signature is written in a cursive style with a large, prominent initial "J".

James L. Caldwell
Regional Administrator

License No. 21-32050-01
Docket No. 030-34616

Enclosure: Amendment No. 03