



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
611 RYAN PLAZA DRIVE, SUITE 400  
ARLINGTON, TEXAS 76011-4005**

April 26, 2005

Mr. Don Reynolds, RSO  
Safety Manager  
Buckskin Mining Company  
P.O. Box 3027  
Gillette, Wyoming 82717-3027

**SUBJECT: NRC INSPECTION REPORT 030-366659/05-001 AND NOTICE OF VIOLATION**

Dear Mr. Reynolds:

This refers to the inspection conducted on March 23, 2005, at your facility in Gillette, Wyoming. This inspection was an examination of activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspection consisted of selected examination of procedures and representative records, and observations of activities. The inspection findings were discussed with you at the conclusion of the inspection on March 23, 2005 and during a telephonic exit briefing on April 26, 2005.

Based on the results of this inspection, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. This violation was evaluated in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600 (enclosed). The violation is cited in the enclosed Notice of Violation. The violation is being cited because they were identified by the NRC during the inspection.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. For your consideration and convenience, an excerpt from NRC Information Notice 96-28, "SUGGESTED GUIDANCE RELATING TO DEVELOPMENT AND IMPLEMENTATION OF CORRECTIVE ACTION," is enclosed. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, Enclosure 1, and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Should you have any questions concerning this inspection, please contact Mr. Rick Muñoz at (817) 260-8220 or the undersigned at (817) 860-8287.

Sincerely,

*/RA/*

Jeffrey Cruz, Chief  
Nuclear Materials Inspection Branch

Docket No.: 030-36659  
License No.: 49-27786-01

Enclosures:

1. Notice of Violation
2. NRC Information Notice 96-28
3. NRC Enforcement Policy, NUREG-1600

cc w/Enclosure 1:  
Wyoming Radiation Control Program Director

bcc w/Enclosure 1 (via ADAMS distrib):  
 PKHolahan  
 CLCain  
 JCruz  
 JEWhitten  
 RRMuñoz  
 KEGardin  
 NMIB  
 RIV Materials Docket File (5<sup>th</sup> floor)

SISP Review Completed: RRM

ADAMS:  Yes  No Initials: RRM

Publicly Available  Non-Publicly Available  Sensitive  Non-Sensitive

DOCUMENT NAME: s:\dnms!\nmib!\muñoz\NOV's\53665901.wpd final: r:\ dnms\

RIV:DNMS:NMIB	C:NMLB	C:NMIB
RR Muñoz	JEWhitten	J Cruz
<b>/RA/</b>	<b>/RA/</b>	<b>/RA/</b>
04/11/05	04/26/05	04/26/05

OFFICIAL RECORD COPY

T=Telephone

E=E-mail

F=Fax

## ENCLOSURE 1

### NOTICE OF VIOLATION

Buckskin Mining Company  
Gillette, Wyoming

Docket No. 030-36659  
License No. 49-27786-01

During an NRC inspection conducted on March 23, 2005, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violation is listed below:

10 CFR 30.34(a) requires, in part, that the licensee comply with the terms and conditions of the license.

License Condition 22 requires, in part, that the licensee review and modify, as appropriate, its "lock-out" procedures whenever a new device is obtained to incorporated the device manufacturer's recommendations.

Contrary to the above, from the time the new gauge was received until time of this inspection, the licensee failed to review and modify, as appropriate, its "lock-out" procedures when the new gauging device was obtained. The licensee failed to develop and implement "lock-out" procedures.

This is a Severity Level IV violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, Buckskin Mining Company, is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555, with a copy to the Regional Administrator, Region IV, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>, to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made

available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 26<sup>th</sup> day of April 2005.