GROUND/WATER TREATMENT
& TECHNOLOGY, INC.

P.O. BOX 1174 DENVILLE, NEW JERSEY 07834
Phone (973)-983-0901 • Fax (973) 983-0903

January 10, 2006

United States Nuclear Regulatory Commission
Washington D.C. 20555
Attn: Document Control Desk

Re: REPLY TO NOTICE OF VIOLATION
Docket No. 03035376
License No. 29-30569-01
Inspection 03035376/2005001 – Ground/Water Treatment & Technology, Inc.

Via UPS Red

To whom it may concern:

Ground/Water Treatment & Technology, Inc. has received and reviewed the Notice of Violation (NOV) letter dated December 16, 2005, from the United States Nuclear Regulatory Commission (USNRC), Region 1 office. The NOV is in response to an inspection performed by Mr. Craig Gordon of the USNRC Region 1 office. This letter presents our comments and responses to the specified violations, as required by the USNRC.

There were three (3) Severity Level IV violations identified in the December 16, 2005 NOV (attached). Our comment and responses to the three violations are as follows:

NOV A: Summary of Violation: GWTT did not provide the USNRC written notification within 60-days to provide documentation that no activity had been conducted within the previous 24-months.
Comment/Response: Unfortunately, in implementing our monitoring program, we did not provide the USNRC with the notification that we have not utilized our device in many months. This was an oversight on our part. By Friday, January 13, 2006, a letter will be submitted to the appropriate branch and office/region of the USNRC, stating the oversight and providing the proper notification of when the device was last used, why has not been used, and how we intend to proceed (further discussed below).

NOV B: Summary of Violation: GWTT did not provide two independent physical controls to secure the device from unauthorized removal.
Comment/Response: After discussing this issue with Mr. Gordon via conference call, Mr. Hunnewell of GWTT returned to the office to perform his own evaluation of the unit and to review the comments and recommendations made by Mr. Gordon. During this review, Mr. Hunnewell located the secondary lock he had placed on the protective

IE07

enclosure that housed the device and primary shipping container. The lock was removed by Mr. Hunnewell during the previous inventory of the unit, because the lock was not performing properly (would not open/close easily). A new lock was subsequently purchased (and found with the first lock), but it was not placed back on the secondary container. The new lock was placed on the container November 22, 2005 and remains in place today.

NOV C: Summary of Violation: GWTT did not perform periodic radiation protection program content between January 1, 2003 and December 31, 2004.
Comment/Response: GWTT has reviewed all of our documents pertaining to the periodic protection program, and agrees with the assessment that the program was not fully implemented to meet the requirements set forth by the USNRC. In December 2005, and program content and implementation was performed in order to comply with the recommendation made by Mr. Gordon. A copy will be forwarded to Mr. Gordon with the copy of the letter notifying the USNRC of cease in activities in the last 24-months.

GWTT is currently having discussions with a northern New Jersey engineering firm that maintains their own license(s) for Troxler device(s), to transfer our license and the device to their care. They are currently in good standing with the USNRC (no NOVs), and have much greater use for the device. Because of the holidays, vacation and other commitments, we have not been able to finalize the paperwork. However, the initiation of paperwork and formal notification to the USNRC of our intent to terminate our license and transfer both the device and license to this firm (with all of their information) will be completed by January 24, 2006.

Thank you for your time with this matter. If you have any questions or require additional information, please call me at (973) 983-0901 (x12).

Very truly yours,
Ground/Water Treatment & Technology, Inc.

Robert G. Kunzel
Vice President

Dist:
United States Nuclear Regulatory Commission
Region 1
475 Allendale Road
King of Prussia, PA 19406-1415
Mr. Craig Gordon

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

December 16, 2005

Docket No. 03035376 License No. 29-30569-01

Robert Kunzel
Vice President
Ground/Water Treatment & Technology, Inc.
P. O. Box 1171
Denville, NJ 07834

SUBJECT: INSPECTION 03035376/2005001, GROUND/WATER TREATMENT & TECHNOLOGY, INC., DENVILLE, NEW JERSEY, AND NOTICE OF VIOLATION

Dear Mr. Kunzel:

On November 17, 2005, Craig Gordon of this office conducted a safety inspection at the above address of activities authorized by the above listed NRC license. The inspection was an examination of your licensed activities as they relate to radiation safety and to compliance with the Commission's regulations and the license conditions. The inspection consisted of observations by the inspector, interviews with personnel, and a selected examination of representative records. The findings of the inspection were discussed with you and Mr. P. Hunnewell of your organization at the conclusion of the inspection.

Based on the results of this inspection, it appears that your activities were not conducted in full compliance with NRC requirements. A Notice of Violation is enclosed that categorizes the violation by severity level. You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

During the inspection we noted that your gauge has not been used since 2001. This is the subject of Item A in the enclosed Notice of Violation. If you do not plan to use the gauge in the future, you must properly transfer the gauge and request that your license be terminated. If you do use the gauge, you must obtain an operable, calibrated survey instrument, and update training of the authorized user in radiation safety and use of hazardous materials, prior to using the gauge.

Current NRC regulations are included on the NRC's website at www.nrc.gov; select **Nuclear Materials; Medical, industrial, and academic uses of nuclear material;** then **toolkit index page.** The current Enforcement Policy is included on the NRC's website at www.nrc.gov; select **What We Do, Enforcement,** then **Enforcement Policy.** Or you may obtain these documents

by contacting the Government Printing Office (GPO) toll-free at 1-888-293-6498. The GPO is open from 7:00 a.m. to 9:00 p.m. EST, Monday through Friday (except Federal holidays).

Your cooperation with us is appreciated.

Sincerely,

Original signed by John D. Kinneman

John D. Kinneman, Chief
Security and Industrial Branch
Division of Nuclear Materials Safety

Enclosure:
Notice of Violation

cc:
Patrick T. Hunnewell, Radiation Safety Officer
State of New Jersey

NOTICE OF VIOLATION

Ground/Water Treatment & Technology, Inc.
Denville, NJ

Docket No. 03035376
License No. 29-30569-01

During an NRC inspection conducted on November 17, 2005, three violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

A. 10 CFR 30.36(d)(3) requires that the licensee provide notification to the NRC in writing that no principal activities under the license have been conducted for a period of 24 months.

Contrary to the above, the licensee had not conducted principal activities under the license since 2001, but did not notify the NRC within 60 days that activities had ceased.

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

B. 10 CFR 30.34 (I) requires that each portable gauge licensee shall use a minimum of two independent physical controls that form tangible barriers to secure portable gauges from unauthorized removal, whenever portable gauges are not under the control and constant surveillance of the licensee.

Contrary to the above, on November 17, 2005, the licensee's portable gauge did not have two independent physical controls to secure it from unauthorized removal.

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

C. 10 CFR 20.1101(c) requires that the licensee shall periodically (at least annually) review the radiation protection program content and implementation.

Contrary to the above, between January 1, 2003, and December 31, 2004, the licensee did not periodically (at least annually) review the radiation protection program content and implementation at least annually. Specifically, in calendar years 2003 and 2004 the annual review was not performed.

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

Pursuant to the provisions of 10 CFR 2.201, Ground/Water Treatment & Technology, Inc. Is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with a copy to the Regional Administrator, Region I, 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, (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 to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, any response which contests an enforcement action shall be submitted under oath or affirmation.

Your response will be placed in the NRC Public Document Room (PDR) and on the NRC Web site. To the extent possible, it should, therefore, not include any personal privacy, proprietary, or safeguards information so that it can be made publically available without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

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

Dated This 16th day of December 2005