

August 3, 2006

Chris Stone
Vice President, Operations
Pangea Group
2604 South Jefferson Avenue
St. Louis, MO 63118

SUBJECT: NRC INSPECTION REPORT 030-35726/06-001(DNMS) AND
NOTICE OF VIOLATION - PANGEA GROUP

Dear Mr. Stone:

This refers to the inspection conducted on July 11, 2006, at the Pangea Group. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. Our inspection included in-office review through July 18, 2006, to review and coordinate your license amendment request. At the conclusion of the inspection, the findings were discussed with you and your Acting Radiation Safety Officer, Matt Cushman.

The inspection was an examination of activities conducted under your license as they relate to radiation safety and to compliance with the Commission's rules and regulations, and with the conditions of your license. Within these areas, the inspection consisted of selective examinations of procedures and representative records, and interviews with personnel.

Based on the results of this inspection, the NRC has determined that one Severity Level IV violation of NRC requirements occurred. The violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at www.nrc.gov; select **What We Do, Enforcement**, then **Enforcement Policy**. The violation is cited in the enclosed Notice of Violation (Notice). The violation involves an unauthorized individual acting as your radiation safety officer.

Please note that a similar issue was identified during our September 23, 2005, inspection. During our previous inspection, we noted that although you had not initiated licensed activities, the individual listed as radiation safety officer had departed your company the previous year. During our previous inspection, you committed to file an amendment to your license to change the radiation safety officer prior to your initiation of licensed activities. However, as of July 11, 2006, you had not filed an amendment request to change the radiation safety officer and you engaged in licensed activities at a temporary job site. Please note that 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 to this letter, please describe why your proposed corrective actions are expected to be more successful in preventing future or similar violations than the actions and commitments stated in the past. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

C. Stone

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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, 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.

Sincerely,

/RA/

John R. Madera, Chief
Materials Inspection Branch

Docket No. 030-35726
License No. 24-32318-01

Enclosure:
Notice of Violation

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NOTICE OF VIOLATION

Pangea Group
St. Louis, Missouri

Docket No. 030-35726
License No. 24-32318-01

During an NRC inspection conducted on July 11, 2006, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," the violation is listed below:

Condition 12 of License No. 24-32318-01 names Daniel E. Hoffman as the Radiation Safety Officer for this license.

Contrary to the above, as of 2005, Daniel E. Hoffman has not served as the Radiation Safety Officer for this license.

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

Pursuant to the provisions of 10 CFR 2.201, Pangea Group 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 III, 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.

Enclosure

Notice of Violation

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

Dated this 3rd day of August 2006

Enclosure