



August 29, 2006

John R. Madera, Chief
Materials Licensing Branch
U.S. NRC, Region III
2443 Warrenville Rd – Suite 210
Lisle, IL 60532-4352

Subject: Reply to August 3rd, 2006 Notice of Violation, License No. 24-32318-01

Dear Mr. Madera

As you are aware, Pangea received a Notice of Violation (NOV) for License No. 24-32318-01, dated August 3, 2006. We regret that due to an internal miscommunication at Pangea our license was not updated in a timely manner to reflect a change in our Radiation Safety Officer. Ms. Piskura's audit of July 12, 2006 correctly identified our error.

This deficiency was taken very seriously and the error has been corrected in the form of a request for amendment to our materials license, submitted on July 18th, 2006. In addition we are revising our Radiation Safety Program Manual to make the necessary changes to ensure that such a deficiency is not repeated.

As requested within the NOV, a reply was sent to the Document Control Desk in Washington D.C. with a copy also going to James Caldwell, the Region III Administrator. In addition, we have enclosed a copy of our reply to the NOV for your records.

If you have any further concerns or need any additional information, please do not hesitate to contact me at (314) 333-0602.

Sincerely,
Pangea, Inc

Christopher L. Stone
Vice President, Operations

Enclosed: Reply to 8/03/06 NOV



August 29, 2006

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20055

Subject: Reply to a Notice of Violation, License No. 24-32318-01, Docket Number 030-35726

ATTN: Document Control Desk

On August 7, 2006, Pangea Group (Pangea) received a Notice of Violation (NOV), Severity Level IV, of our Nuclear Materials License, No. 24-32318-01, dated August 3, 2006. This reply has been sent to address the violation, to demonstrate that actions have already been taken to correct the condition that caused the violation, and to prevent its recurrence.

The August 3, 2006 NOV reads as follows:

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)

On July 12, 2006, Pangea was the subject of an inspection by Ms. Deborah A. Piskura, of the Materials Inspection Branch. During the inspection she noted that the position of Radiation Safety Officer (RSO) within our license was identified as Daniel E. Hoffman. At that time, due to an internal miscommunication, we believed that an amendment had been previously filed to update the license to reflect the departure of Mr. Hoffman.

As a corrective action, Pangea submitted on July 18, 2006 a Request for Amendment to the Materials Licensing Branch (Mail Control Number 315581) to update Pangea's materials license to reflect that Mr. Matthew Cushman was now assigned the role of RSO for Pangea. As Mr. Cushman has now assumed the duties required by the materials license, it is Pangea's position that upon the NRC's acceptance of the July 18, 2006 request for amendment, appropriate actions will have been taken to correct the deficiency prompting the NOV.

The Pangea Radiation Safety Program is currently undergoing modifications designed to prevent a reoccurrence of the deficiency noted in the NOV. Those modifications include

revisions to the Pangea Radiation Safety Program Manual to specifically identify the need for and responsibilities of the Radiation Safety Officer within our program. Subsequent to the revisions, our personnel will participate in training relevant to the specific changes to the program manual. Our revised Radiation Safety Program Manual will be published by October 2, 2006.

If you have any further concerns or need any additional information, please do not hesitate to contact me at (314) 333-0602.

Sincerely,
Pangea, Inc.

A handwritten signature in black ink, appearing to read 'C. Stone', with a long horizontal flourish extending to the right.

Christopher L. Stone
Vice President, Operations

Cc: James Caldwell, Regional Administrator, Region III