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

November 22, 2006

Docket No. 03006291 License No. 37-12607-02

J. Russell Gant
President
Supelco, Incorporated
595 North Harrison Road
Bellefonte, PA 16823

SUBJECT: INSPECTION 03006291/2006001, SUPELCO, INCORPORATED, BELLEFONTE, PENNSYLVANIA SITE

Dear Mr. Gant:

On November 2 and 20, 2006, Steven Courtemanche of this office conducted a safety inspection by telephone 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 interviews with personnel and a selected examination of representative records. Additional information provided in your correspondence dated November 7, 2006, was also examined as part of the inspection. The findings of the inspection were discussed with Wayne Fishburn of your organization at the conclusion of the inspection.

Within the scope of this inspection, no violations were identified.

It is our understanding from the telephone discussion of November 20, 2006, that you are deciding whether to continue your licensed program. An initial review of the devices containing licensed material by Mr. Fishburn indicate that they may be possessed under the general license of the manufacturer. Mr. Fishburn committed to searching the facility to determine if there are any additional devices in storage that may require the specific license. If no additional devices are found, written notification to terminate the license must be submitted. Enclosed for your use is NRC Form 314, "Certificate of Disposition of Materials." You may reference the leak test records submitted on November 7, 2006, instead of submitting them again.

Current NRC regulations are included on the NRC's website at www.nrc.gov; select **Nuclear Materials; Medical, Academic, and Industrial Uses of Nuclear Material;** then **Toolkit Index Page.** The current NRC 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 8:00 p.m. EST, Monday through Friday (except Federal holidays).

No reply to this letter is required. Your cooperation with us is appreciated.

Sincerely,

Original signed by James P. Dwyer

James P. Dwyer, Chief
Commercial and R&D Branch
Division of Nuclear Materials Safety

Enclosure:
NRC Form 314, Certificate of Disposition of Materials

cc:
Wayne Fishburn, Radiation Safety Officer
Commonwealth of Pennsylvania

DOCUMENT NAME: C:\FileNet\ML063260447.wpd

SUNSI Review Complete: SCourtemanche
After declaring this document "An Official Agency Record" it **will** be released to the Public.

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