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November 22, 2011

D. Blair Spitzberg, Ph.D, Chief
Repository and Spent Fuel Safety Branch
Division of Nuclear Materials Safety

FEDEX 797765899440

Re: **Reply to a Notice of Violation**
Source Material License SUA-442, Docket Number 40-6622

Dear Sir:

The following responses address two Severity Level IV violations identified during the August 2-3, 2011 NRC inspection of Pathfinder Mines Corporation's Shirley Basin site located in Carbon County, Wyoming, and as noted in the NRC correspondence to Pathfinder Mines Corporation dated October 28, 2011

Violation

During an NRC inspection conducted on August 2-3, 2011, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

10 CFR 71.5 states, in part, that each licensee who transports licensed material outside the site of usage or where transport is on a public highway, or delivers licensed material to a carrier for transport, shall comply with the applicable requirements of the U.S. Department of Transportation regulations in 49 CFR Parts 171 through 180.

49 CFR 172.702 requires that each hazmat employer shall ensure that each hazmat employee is trained and tested and that no hazmat employee performs any function subject to the requirements of 49 CFR Parts 171 -177 unless trained, in accordance with Subpart H of 49 CFR Part 172. The terms hazmat employer and hazmat employee are defined in 49 CFR 171.8.

49 CFR 172.704(a)(2) states, in part, that each hazmat employee must be provided function-specific training concerning requirements of this subchapter that are specifically applicable to the functions the employee performs.

Contrary to the above, the licensee did not provide function-specific training to one onsite contractor as required by Subpart H to 49 CFR Part 172(a)(2). Specifically, during May-June, 2011, a contractor signed bills of lading as the shipper of licensed material without having been trained on in-house function-specific requirements. Shipments consisted of radioactive contaminated emptied waste containers being returned to customers.

This is a Severity Level IV violation (Section 6).

PATHFINDER MINES CORPORATION

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Response and actions

1. Reason for the violation: The primary reason for the violation was the usage of documentation regarding the receipt and shipment of empty containers handling 11e.(2) ISL byproduct material that was unclear in the designation of the shipment and return responsible parties. Completing this old documentation in some cases identified Pathfinder Mines as the shipper of record for the empty containers returning to the site of origin. This was incorrect as Pathfinder is obviously not the shipper. Consequently the training provided for completion of the documentation as was used at that time was also insufficient.

2. Corrective steps taken and results achieved:
 - a. A draft revised Bill-Of-Lading document form was drafted and provided to the shipper of record, (Uranium One Americas), which clearly designates Uranium One as the shipper of record. Pathfinder as an agent to the shipper is documenting that the container exterior meets the contamination releasable criteria of 49 CFR. Other less critical changes were made in the draft form included updating the emergency contact information and address details. Date that this was achieved: August 9, 2011.
 - b. At the next Bi-monthly safety meeting, the proper revised document protocol was revisited and the above mentioned revised document reviewed. Special emphasis was made to ensure clarity of Pathfinder's responsibility acting as agent for the shipper. Date that this was achieved: August 26, 2011.
 - c. The revised Bill-Of-Lading documents were put to use as part of the receipt of the next shipment of 11e.(2) material. Date that this was achieved: November 8, 2011.

3. Corrective steps that will be taken to avoid further violations:
 - a. The bi-monthly safety meetings will be a primary source of continued emphasis on this topic to ensure continued proper documentation protocols are followed.
 - b. During the next regular annual SOP review special care will be taken to make any revisions or modifications required.

4. Date when full compliance was achieved: August 26, 2011.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Mark Owens', written in a cursive style.

R. Mark Owens
General Manager