

UNITED STATES NUCLEAR REGULATORY COMMISSION REGION III 799 ROOSEVELT ROAD GLUN ELLYN, ILLINOIS 60137

AUG 8 1979

Docket No. 70-36

Combustion Engineering, Inc. ATTN: Mr. H. V. Lichtenberger Vice President - Manufacturing Nuclear Power Systems Windsor, CT 06095

Gentlemen:

This refers to the inspection conducted by Mr. W. L. Axelson of this office on July 17-20, 1979, of activities at the Hematite, Missouri Facility authorized by NRC Special Nuclear Material License No. SNM-33 and to the discussion of our findings with Mr. J. Rode and others of your staff at the conclusion of the inspection.

The enclosed copy of our inspection report identifies areas examined during the inspection. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations, and interviews with personnel.

No items of noncompliance with NRC requir ments were identified during the course of this inspection.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room, except as follows. If this report contains information that you or your contractors believe to be proprietary, you must apply in writing to this office, within twenty days of your receipt of this letter, to withhold such information from public disclosure. The application must include a full statement of the reasons for which the information is considered proprietary, and should be prepared so that proprietary information identified in the application is contained in an enclosure to the application.

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We will gladly discuss any questions you have concerning this inspection.

Sincerely,

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A. B. Davis, Chief Fuel Facility and Materials Safety Branch

Enclosure: IE Inspection Report No. 70-36/79-05

cc w/encl: Mr. J. A. Rode, Plant Manager Central Files Reproduction Unit NRC 20b PDR NSIC

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