

Appendix ANOTICE OF VIOLATION

Velsicol Chemical Corporation
(Michigan Chemical Corporation)

License No. SMB-833

Based on the investigation conducted on January 18 and 23-25, 1980, it appears that certain of your activities were in noncompliance with NRC requirements, as noted below. Items 1 and 2 are infractions.

1. 10 CFR 40.3 requires that you possess source material only as authorized by a license issued by the NRC.

Contrary to this requirement, on the days of the investigation, January 18 and 23-25, 1980, you possessed at least twenty barrels of thorium and uranium bearing material, a quantity in excess of the requirements requiring a license, without authorization of a valid license. This material was formerly licensed under License No. SMB-833 which was terminated as you requested on April 23, 1971.

2. 10 CFR 20.105(b)(2) requires that radiation levels in unrestricted areas be limited so that if an individual were continuously present in the area, he could not receive a dose in excess of two millirems in any hour or 100 millirems in any seven consecutive days.

Contrary to this requirement, on the day of the investigation, radiation levels existed in the area where barrels of uranium and thorium bearing materials were stored, of such a magnitude that if an individual had been continuously present in the area, he could have received a dose in excess of 100 millirems in any seven consecutive days.