



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76011

PDR:HO

January 9, 1979

License No. SUA-667
Docket No. 40-4492

Federal-American Partners
ATTN: Mr. K. Wright
Project Manager
Gas Hills Star Route
Riverton, Wyoming 82501

Gentlemen:

This refers to the inspection conducted by Messrs. M. J. Mustain and L. Wilborn of this office on October 2-3, 1978, of the activities authorized by NRC Source Material License No. SUA-667, and to the discussion of our findings held by Messrs. Mustain and Wilborn with Messrs. Wright and Jackson on October 3, 1978.

The inspection was an examination of the activities conducted under the license as they relate to radiation safety and to compliance with the Commission's rules and regulations, and the conditions of the license. The inspection consisted of selective examinations of procedures and representative records, interviews of personnel, and observations by the inspectors.

Based on the results of this inspection, five apparent items of noncompliance were found as set forth in the Notice of Violation, enclosed herewith. Past inspections conducted in 1976 and 1977 resulted in 11 items of noncompliance, for a total of 16 items found in a two and a half year period. This matter has been carefully reviewed with our Headquarters enforcement staff, as well as with members of my staff, and we have decided to limit escalated enforcement action to this Notice of Violation ... in lieu of a more serious level of enforcement action which we had considered.

This notice is sent to you pursuant to the provisions of Section 2.201 of the NRC "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires you to submit to this office, within twenty (20) days of your receipt of this notice, a written statement or explanation in reply including: (1) corrective actions which have been taken by you and the results achieved; (2) corrective actions which will be taken to avoid further items of noncompliance; and (3) the date when full compliance will be achieved. In particular, your response should identify steps that you have taken, or will take, to improve management involvement to assure that the Commission's requirements are followed.

7904020272

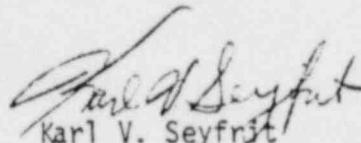
January 9, 1979

Your written reply to this letter and the findings of our continuing inspection program will be considered in determining whether further escalated enforcement action, such as civil penalties, or orders to suspend, modify or revoke your license, may be required to assure compliance.

In accordance with Section 2.790 of the NRC "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. If this report contains any information that you believe to be proprietary, it is necessary that you make a written application within twenty (20) days to this office to withhold such information from public disclosure. Any such application must include a full statement of the reasons it is claimed that the information is proprietary. It should be prepared so that proprietary information identified is contained in a separate part of the document, since the application, excluding this separate part, will also be placed in the Public Document Room. If we do not hear from you in this regard within the specified period, the report will be placed in the Public Document Room.

Should you have any questions concerning this letter, please let me know.

Sincerely,


Karl V. Seyfrid
Director

Enclosures:

1. Notice of Violation
2. IE Inspection Report No. 40-4422/78-01