OCT 0 6 1989

Docket No. 70-824 License No. SNM-778

Babcock and Wilcox Company ATTN: L. K. Trent Safety Manager Naval Nuclear Fuel Division P. O. Box 785 Lynchburg, VA 24505-0785

Gentlemen:

SUBJECT: NRC INSPECTION REPORT NO. 70-824/89-06

This refers to the Nuclear Regulatory Commission (NRC) inspection conducted by G. L. Troup on September 13-14, 1989. The inspection included a review of activities authorized for your Research Laboratory facility. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed Inspection Report.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress.

Within the scope of the inspection, no violations or deviations were identified.

In accordance with Section 2.790 of the NRC's "Rules of Prartice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

Should you have any questions concerning this letter, please contact us.

Sincerely,

ORIGINAL SIGNED BY WILLIAM E. CLINE

William E. Cline, Chief Nuclear Materials Safety and Safeguards Branch Division of Radiation Safety and Safeguards

TEOT

Enclosure: NRC Inspection Report

cc w/encl: (See page 2)

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## Babcock and Wilcox Company

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cc w/encl: C. C. Boyd, Jr. Babcock & Wilcox NNFD Research Laboratory P. O. Box 11165 Lynchburg, VA 24506-1165 Commonwealth of Virginia

bcc w/encl: Document Control Desk

U.S. Nuclear Regulatory Commission ATTN: NRC Resident Inspector Mail Code 42 P. O. Box 785 Lynchburg, VA 24505-0785

bcc w/o encl: License Fee Management Branch

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