

DCD/DCB

OCT 13 1989

Lowe's Southern Clay, Inc.  
ATTN: Mr. Henry Simpson  
Route 1, Box 56  
Benton, MO 63736

License No. 24-18735-01

Gentlemen:

This refers to a telephone contact conducted October 4, 1989. The contact was an examination of activities conducted under your license as they relate to radiation safety and to compliance with the Commission's rules and regulations and with the conditions of your license. The contact consisted of discussions with Mr. Henry Simpson of your staff and Mr. Bryan Parker of my staff.

As a result of this examination of activities, regulatory concerns were noted and are specified below. They may be evaluated at an onsite inspection at your facility in the near future.

As you described on the telephone, the following apparent regulatory concerns were identified:

1. Your G-M survey meter is required through License Condition No. 17 to be calibrated every 12 months, yet it has not been calibrated within the last two years.
2. You are required by License Condition No. 16 to conduct a physical inventory to account for all licensed material every six months and maintain a record of the inventory, yet no record of inventories has been maintained since inception of the program in September 1983.

You should examine your license and NRC regulations to determine how you can correct the apparent regulatory concerns that you discussed on the telephone. Please submit to this office within 30 days of this letter, a description of actions taken or those that will be taken to correct the above mentioned regulatory concerns. In addition, we would like to highlight the following items that licensees should pay particular attention to as follows:

- a. Maintaining awareness and control of licensed material.
- b. Proper transfers and disposal of radioactive sources.
- c. Promptly reporting losses or thefts of licensed materials.

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Lowes Southern Clay, Inc.

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If you have any questions regarding this contact, you may contact us at  
(312) 790-5500.

Sincerely,

Roy J. Caniano, Chief  
Nuclear Materials Safety  
Section 2

cc: DCD/DCB (RIDS)

bcc: Technical Assistant, DRSS

RIII  
Parker/ib  
10/12/89

RIII  
Caniano  
10/12/89