



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

CENTRAL FILES

Aug 22 1980

Gray Laboratories, Inc.  
ATTN: Mr. Samuel P. Potter  
President  
804 Woodswether Road  
Kansas City, MO 64118

License No. 24-15753-01  
Expiration Date: 8/31/78

Gentlemen:

Subject: Notice of Violation

This refers to the telephone discussion between S. R. Lasuk of this office and you on August 13, 1980. The subject of the discussion was the fact that NRC records show that the Byproduct Materials License identified above has expired and no renewal application has been filed in accordance with Section 30.37 of Title 10, Code of Federal Regulations, Part 30.

From our discussion with you we learned that you still possess material which requires a specific NRC license. Your possession of that material without a valid, specific license is a violation of Section 30.3, 10 CFR Part 30. Section 30.3. states:

30.3 Activities requiring license. Except for persons exempt as provided in this part and Part 150 of this chapter, no person shall manufacture, produce, transfer, receive, acquire, own, possess, use, import or export byproduct material except as authorized in a specific or general license issued pursuant to the regulations in this chapter.

This Notice of Violation is sent to you under the provisions of Section 2.201 of the NRC's "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 steps which have been taken by you, and (2) corrective steps which will be taken to avoid this happening in the future.

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 your reply will be placed in the Public Document Room.

In addition to your reply to this Notice of Violation, if you want to continue your program you must immediately submit the enclosed Form NRC-313,

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"Application for Byproduct Materials License" to the Regional Licensing Section, U.S. Nuclear Regulatory Commission, 799 Roosevelt Road, Glen Ellyn, Illinois 60137. A copy of the letter forwarding the application to the licensing section (but not the application) should be sent to Region III, U.S. Nuclear Regulatory Commission, same address as above, Attention: A. B. Davis.

Also you must immediately place the radioactive material on hand in secure storage until such time as you acquire a valid license. No other use of the material on hand or purchase of additional byproduct material is authorized. Include a statement in your reply to this Notice of Violation confirming that you have taken this action and describing the controls that will be exercised over the stored material until such time that you obtain a valid license.

Since your present license has expired, your application for renewal will be processed as a request for a new license. Accordingly, you must determine if your program is subject to a license fee as required by Section 170.31 of 10 CFR Part 170 and, if one is required, submit the appropriate fee along with the application.

We request that you give prompt attention to these matters. Should you have any questions concerning them, we will be pleased to discuss them with you.

Sincerely,

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

Enclosures:

- 1. Form NRC-313
- 2. 10 CFR Part 170

cc w/o enclosures:

Central Files  
Reproduction Unit NRC 20b  
PDR  
NSIC  
Chief, Materials Licensing  
Branch, NMSS

RIII  
Las...ls  
8/18/80

RIII  
Pasinaro

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Davis  
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