

NSIC

UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76012

18 JUN 1980

40-6659



License No. SUA-551

Petrotonomics Company
Attn: Mr. J. H. Whitman
Resident Manager
P. O. Box 2509
Shirley Basin, Wyoming 82615

Gentlemen:

This refers to the inspection conducted by Mr. C. L. Cain of this office on May 15-16 and June 3, 1980, of the activities authorized by NRC Source Material License No. SUA-551 and to the discussion of our findings held by Mr. Cain with Mr. J. H. Whitman and other members of your staff on June 3, 1980.

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, independent measurements and observations by the inspector.

Mr. Cain also reviewed the action you had taken with respect to four items of noncompliance observed during our previous inspection, which was conducted June 18-20, 1979. He verified that the corrective action with respect to these items was implemented as stated in your reply of September 20, 1979, to our letter dated August 28, 1979.

Based on the results of this inspection, it appears that certain of your activities were not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith. These items of noncompliance have been categorized into the levels as described in the correspondence to you dated December 31, 1974.

The 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.

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In addition, we are concerned about the implementation of your program for management control of your licensed activities that permitted these items of noncompliance to occur. Consequently, in your reply you should describe, in particular, those actions taken or planned to improve the effectiveness of your management control of the requirements of your license.

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. Seyfrit
Director

Enclosures:

1. Notice of Violation
2. IE Inspection Report No. 80-02