

John W. Chisholm
President



12 September 1988

Mr. William L. Fisher
Chief Nuclear Material Safety Branch
U.S. Nuclear Regulatory Commission, Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011

Re: License: 42-26928-01

Dear Mr. Fisher:

In reference to your letter of August 22, 1988, concerning your Notice of Violation, we herein provide the following response:

Violation No. 1

1. Our use of radioactive material in Yukon, Oklahoma area initially was on a sporadic basis. As business increased, our personnel located a facility for storage equipment to facilitate the scheduling of work in the area. Our personnel failed to realize that prior to storing radioactive material or contaminated equipment in a facility, that the facility must be licensed as a storage facility. The violation was not intentional.
2. Radioactive material has been removed from the facility pending approval of our license amendment request to add this facility as a storage site.
3. A license amendment request, to add this site, has been forwarded under separate cover (copy enclosed).
4. Compliance will be achieved upon receipt of our license amendment. All radioactive material was removed on July 16, 1988

Violation No. 2

1. Keys were left with the other party occupying the facility in case of emergency. Our personnel failed to make it clear that access to the storage area was only to be made in case of an emergency.

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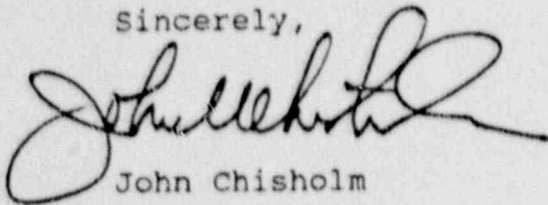
12th September 1988

2. All radioactive material has been removed from the facility pending approval of our license amendment.
3. In the future, we will not authorize our employees to provide keys to radioactive material storage areas to other than company personnel.
4. Corrective action achieved on July 16, 1988.

In addition, we have held safety meetings with all personnel involved expressing the necessity to keep management informed of all activities involving our satellite facilities. We have contracted with a private consultant (Larry J. Stephenson, P.E. - W. H. Henken Industries, Inc.) to provide additional guidance in helping us to maintain our program in compliance and keep our personnel exposures as low as reasonable achievable.

If you have any questions or need additional information, please call.

Sincerely,



John Chisholm

JWC/dd
Enclosure