



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV

611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76012

September 10, 1980

License No. SUA-667

Federal-American Partners
ATTN: Mr. Niles J. Andrus, Vice President Operation
American Nuclear Corporation
Gas Hills Star Route
Riverton, Wyoming 82501

Gentlemen:

This refers to the inspection conducted by Messrs. L. Wilborn and D. B. Spitzberg of this office, accompanied by Ms. Nancy Ann Dennis of NRC Headquarter's Occupational Health Standards Branch, on August 18-20, 1980, of the activities authorized by NRC Source Material License No. SUA-667 and to the discussion of our findings held by Messrs. Wilborn & Spitzberg with Mr. Niles J. Andrus and members of your staff on August 20, 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.

Messrs. Wilborn & Spitzberg also reviewed the action you had taken with respect to three items of noncompliance observed during our previous inspection, which was conducted June 27 and 28, 1979. They verified that the corrective action with respect to these items was implemented as stated in your replies of November 13, 1979 and March 1, 1980 to our letters dated October 16, 1979 and February 20, 1980, respectively.

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 non-compliance have been categorized into the levels as described in the correspondence to you dated December 31, 1974.

This 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:

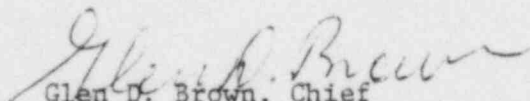
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- (1) corrective actions which have been taken by you and the results achieved;
- (2) corrective actions which will be taken to avoid further items of noncompliance; and
- (3) the date when full compliance will be achieved.

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,


Glen D. Brown, Chief
Fuel Facility and Material
Safety Branch

Enclosures:

1. Notice of Violation
2. IE Inspectio. Report No. 40-4492/80-01