



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MARIETTA ST., N.W., SUITE 3100
ATLANTA, GEORGIA 30303

MAY 20 1981

Babcock and Wilcox Company
ATTN: T. C. Engelder, Director
Lynchburg Research Center
P. O. Box 1260
Lynchburg, VA 24505

Gentlemen:

Subject: Report No. 70-824/81-03

This refers to the routine safety inspection conducted by Mr. G. P. Coryell of this office on May 5-8, 1981, of activities authorized by NRC Operating License No. SNM-778 for the Lynchburg Research Center. Our preliminary findings were discussed with Dr. T. C. Engelder at the conclusion of the inspection.

Areas examined during the inspection and our findings are discussed in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector.

During the inspection, it was found that certain activities under your license appear to violate NRC requirements. This item and references to pertinent requirements are listed in the Notice of Violation enclosed herewith as Appendix A. Elements to be included in your response are delineated in Appendix A.

We have examined actions you have taken with regard to previously identified enforcement matters. These are discussed in the enclosed inspection report.

In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and the enclosed report will be placed in the NRC's Public Document Room. If the report contains any information that you believe to be exempt from disclosure under 10 CFR 9.5(a)(4), it is necessary that you: (a) notify this office by telephone within ten days from the date of this letter of your intention to file a request for withholding; and (b) submit within twenty-five days from the date of this letter a written application to this office to withhold such information. If your receipt of this letter has been delayed such that less than seven days are available for your review, please notify this office promptly so that a new due date may be established. Consistent with section 2.790(b)(1), such application must be accompanied by an affidavit executed by the owner of the information which identifies the document or part thereof sought to be withheld, and a full statement of the reasons on the basis of which it is claimed that the information should be withheld from public disclosure. This section further requires the statement to address with specificity the considerations listed in 10 CFR 2.790(b)(4). The information sought to be withheld shall be incorporated as far as possible into a separate

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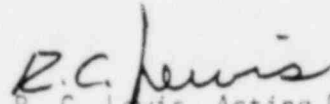
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part of the affidavit. If we do not hear from you in this regard within the specified periods noted above, the report will be placed in the Public Document Room.

Should you have any questions concerning this letter, we will be glad to discuss them with you.

Sincerely,



R. C. Lewis, Acting Director
Division of Resident and
Reactor Project Inspection

Enclosures:

1. Appendix A, Notice of Violation
2. Inspection Report No. 70-824/81-03