NOTICE OF VIOLATION

Dal-Tex Coal Corporation Sharples, West Virginia Docket No. 030-29016 License No. 47-24816-01

During the Nuclear Regulatory Commission (NRC) inspection conducted on April 24, 1990, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1990), the violations are listed below:

A. 10 CFR 20.203(b) requires that each radiation area shall be conspicuously posted with a sign or signs bearing the radiation caution symbol and the words: "CAUTION RADIATION AREA."

Contrary to the above, as of April 24, 1990, the nuclear soil density gauge storage area, a radiation area, was not posted as required with a sign bearing the radiation caution symbol and the words: "CAUTION RADIATION AREA."

This is a Severity Level IV Violation. (Supplement IV)

B. 10 CFR 20.203(e) requires that areas or rooms in which more than 10 times the quantity of such material specified in Appendix C, 10 CFR Part 20 is stored, be conspicuously posted with a sign bearing the radiation caution symbol and the words: "CAUTION RADIOACTIVE MATERIALS."

Contrary to the above, as of April 24, 1990, the storage room in which a nuclear density gauge containing 44 millicuries of americium 241, and 7 millicuries of cesium 137, quantities exceeding ten times the allowable quantities in Appendix C, 10 CFR Part 20 of 0.01 microcuries of americium 241 and 10 microcuries of cesium 137, without posting a sign bearing the radiation caution symbol and the words: "CAUTION RRADIOACTIVE MATERIALS."

This is a Severity Level IV Violation. (Supplement IV)

C. Condition 13.A of License No. 47-24816-01 requires that a test for leakage and or contamination be performed on each sealed source containing licensed material every six months.

Contrary to the above, from May 12, 1988 through April 24, 1990, a period exceeding six months, no test for leakage or contamination was performed on the nuclear density gauge containing sealed sources of licensed materials; cesium 137 and americium 241 sources.

This is a Severity Level IV Violation. (Supplement VI)

Pursuant to the provisions of 10 CFR 2.201, Dal-Tex Coal Corporation is hereby required to submit a written statement or explanation to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington D.C. 20555, with a copy to the Regional Administrator, Region II, within 30 days of the date of the letter

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Docket No. 030-29016 License No. 47-24816

transmitting this Notice. This reply should be clearly marked as a "Reply to a Notice of Violation" and should include [for each violation]: (1) admission or denial of the violation, (2) the reason for the violation if admitted, (3) the corrective steps which have been taken and the results achieved, (4) the corrective steps which will be taken to avoid further violations, and (5) the date when full compliance will be achieved. Where good cause is shown, consideration will be given to extending the response time. If an adequate reply is not received within the time specified in this Notice, an order may be issued to show cause why the license should not be modified, suspended, revoked or why such other action as may be proper should not be taken.

FOR THE NUCLEAR REGULATORY COMMISSION

William E. Cline, Chief

Nuclear Materials Safety and

Safeguards Branch

Division of Radiation Safety

and Safeguards

Dated at Aslanta, Georgia this 2 4 as of May 1990