ENCLOSURE

NOTICE OF VIOLATION

Schnabel Engineering Associates, Inc. Richmond, Virginia Docket No. 030-19126 License No. 45-19703-01

During an NRC inspection conducted February 14 and 18, 1994, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violation is listed below:

Condition 10 of Amendment No. 3 to License No. 45-19703-01 dated March 25, 1991, requires that licensed material be used at One West Cary Street, Richmond, Virginia and at temporary job sites of the licensee anywhere in the United States where the U.S. Nuclear Regulatory Commission maintains jurisdiction regulating the use of licensed material.

Contrary to the above, from October 1992 and December 1993, until the date of the inspection, the licensee stored Troxler gauges Serial Nos. 11578 and 8586, respectively, containing approximately 8 millicuries of cesium-137 and 40 millicuries of americium-241 at a location not authorized on their license. Specifically, the Troxler gauges were being permanently stored at a branch office in Blacksburg, Virginia.

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

Pursuant to the provisions of 10 CFR 2.201, Schnabel Engineering Associates, Inc. is hereby required to submit a written statement or explanation to the Regional Administrator, Region II, with a copy to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an order or demand for information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

Dated at Atlanta, Georgia This //raday of March 1994