SEP 17 1990

URFO: PJG In Reply Refer To: Docket No. 40-8681/90-02

Umetco Minerals Corporation ATTN: Mr. Don K. Sparling White Mesa Mill P. O. Box 669 Blanding, Utah 84511

Gentlemen:

This refers to the routine unannounced radiation safety inspection conducted by Messrs. D. Ward, P. Michaud, and P. Garcia of this office on August 13-16, 1990, of the activities authorized by NRC Source Material License SUA-1358 and to the discussion of the findings held by the inspectors with members of your staff at the conclusion of the inspection. The enclosed NRC Inspection Report 40-8681/90-02 documents this inspection.

The inspection was an examination of the activities conducted under the license as they relate to radiation safety and to compliance with the Commissionales and regulations and the conditions of the license. The inspection consisted of selective examinations of procedures and representative records, interviews of personnel, and observations by the inspectors.

During this inspection, certain of your activities were found not to be conducted in full compliance with NRC requirements. Consequently, you are required to respond to this matter in writing in accordance with the provisions of Section 2.201 of the NRC "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Your response should be based on the specifics contained in the Notice of Violation enclosed with this letter.

The inspectors also reviewed the corrective actions you had taken with respect to the violations identified during an inspection conducted August 7-10, 1989. They verified that the corrective actions with respect to these items were implemented as stated in your reply dated October 9, 1989, to our letter dated September 8, 1989.

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9010020275 900917 PDR ADOCK 0400868 C PNU The response directed by this letter and the accompanying Notice is not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room.

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

Sincerely,

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Lawrence A. Yandell Acting Director

Enclosures:

Appendix A - Notice of Violation

Appendix B - NRC Inspection Report No. 40-8681/90-02

cc:

Utah Radiation Control Program Director