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DEC 7 1990

Eli Lilly and Company
ATTN: Donald R. Brannon, Ph.D.
Director, Environmental
Affairs
Lilly Corporate Center
Indianapolis, Indiana 46285

License No. 13-01133-02 Docket No. 030-04330 License No. 13-01133-04 Docket No. 030-17204

Gentlemen:

This refers to the routine safety inspection conducted by James R. Mullauer, M.H.S. of this office on November 13 through 16, 1990 of activities authorized by NRC License Nos. 13-01133-02 and 13-01133-04 and to the discussion of our findings with you and members of your radiation staff at the conclusion of the inspection.

The inspection was an examination of activities conducted under your license as they relate to radiation safety and to compliance with the Commission's rules and regulations and with the conditions of your license. The inspection consisted of a selective examination of procedures and representative records, observations, independent measurements, and interviews with personnel.

No violations were identified for license No. 13-01133-04; however, for license No. 13-01133-02, certain of your activities appear to be in violation of NRC requirements. A written response is required.

The violation listed in the enclosure is a repeat violation. In your response to this violation, please describe why your proposed corrective action is expected to be more successful in preventing future or similar violations than the corrective action specified in your January 28, 1988 letter.

In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter, the enclosure, and your response to this letter will be placed in the NRC Public Document Room.

The response directed by this letter and the accompanying Notice are 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.

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We will gladly discuss any questions you have concerning this inspection.

Sincerely,

William H. Schultz, Chief Nuclear Materials Safety Section 1

Enclosure: Notice of Violation

cc w/enclosure: DCD/DCB (RIDS)

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Schultz