APPENDIX NOTICE OF VIOLATION Southwest X-Ray Corporation Docket: 030-32768 Rock Springs, Wyoming 92902 License: 49-27434-01 During an NRC inspection conducted on May 11, 1994, three 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, the violations are listed below: 10 CFR 30.34(c) requires, in part, that each licensee confine his possession and use of byproduct materials to the locations and purposes authorized by the license. Condition 11 of License 49-27434-01 requires that licensed material be used only at 14 Bowker Road, No. 21, Rock Springs, Wyoming. Contrary to the above, on May 11, 1994, the licensee possessed iridium-192 in radiographic exposure devices at 211 Lester, Rock Springs, Wyoming, a location not authorized by the license. This is a Severity Level IV violation (Supplement VI). B. 10 CFR 34.26 requires, in part, that the licensee conduct a quarterly inventory to account for all sealed sources. Contrary to the above, from November 10, 1993, to May 11, 1994, the licensee did not perform an inventory of its sealed sources. Thus, no inventory was conducted during the first quarter of 1994. This is a Severity Level IV violation (Supplement VI). 10 CFR 20.2206 requires that certain licensees submit an annual report of the results of individual monitoring carried out by the licensee for each individual for whom monitoring was required by 10 CFR 20.1502 during that year. Contrary to the above, although the licensee is subject to the reporting requirement in 10 CFR 20.2206, as of May 11, 1994, the licensee did not submit the required report for calendar year 1993. This is a Severity Level V violation (Supplement IV). Pursuant to the provisions of 10 CFR 2.201, Southwest X-Ray Corporation is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with a copy to the Regional Administrator, Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011, 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 for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and 9406010026 940526 PDR ADOCK 03032768

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 a Demand for Information may be issued to show cause 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 Arlington, Texas this day of 1994