License No. SUA-1371

Plateau Resources Limited Attn: Mr. R. B. Sewell Manager of Operations 772 Horizon Drive Grand Junction, Colorado 81501

Gentlemen:

This refers to the tailings dam construction inspection conducted by Mr. J. J. Lenahan of our Region II office on November 4-5, 1980, of the activities authorized by NRC Source Material License No. SUA-1371 and to the discussion of our findings held by the inspector with members of your staff at the conclusion of the inspection.

The inspection was an examination of the activities conducted under the license as they relate to compliance with the Commission's rules 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 inspector.

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 attached to this letter.

In accordance with Section 2.790 of the NRC "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room. If this report contains any information that you believe to be proprietary, it is necessary that you make a written application within twenty (20) days to this office to withhold such information from public disclosure. Any such application must include a full statement of the reasons it is claimed that the information is proprietary. It should be prepared so that proprietary information identified is contained in a separate part of the document, since the application, excluding this separate part, will also be placed in the Public Document Room. If we do not hear from you in this regard within the specified period, the report will be placed in the Public Document Room.

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Should you have any questions concerning this letter, please let me know.

Sincerely,

Glen D. Brown, Chief Fuel Facility and Material Safety Branch

Enclosure:

1. IE Inspection Report No. 40-8698/80-01

2. Notice of Violation

3. 45 FR 66754

bcc w/encl. to Repro. AD/FFMSI IE Files NMSS:FCMS

bcc w/encl held for 20 days Central Files PDR;HQ NSIC



UNITED STATES

NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 1000 ARLINGTON, TEXAS 76011

1 0 DEC 1980

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