

March 22, 1972

American Potash & Chemical Company
ATTN: G. L. Baigle
Plant Manager
258 Ann Street
West Chicago, Illinois 60185

Docket No. 40-2061

Gentlemen:

This refers to the inspection conducted by Mr. Ashley of this office on February 29 and March 1, 1972, of activities authorized by AEC license No. STA-583 and to the discussion of our findings held with you at the conclusion of the inspection.

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

In addition to the above, the inspector examined actions you have taken as described in your letter dated April 28, 1970, to the Director, Division of Compliance, with respect to the items of apparent non-compliance found during our inspection of March 23 and 24, 1970. The inspector also examined the circumstances of a high film badge exposure occurring during the third calendar quarter of 1970 and reported to the Commission in a letter dated September 16, 1970. We have no further questions regarding these matters.

During this inspection, it was found that certain of your activities appear to be in noncompliance with AEC requirements. The items and reference to the pertinent requirements are listed in the enclosure

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American Potash &
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to this letter. Please provide us in writing, within 30 days, with your comments concerning these items, any steps which have been or will be taken to correct them, any steps which have been or will be taken to prevent recurrence and the date all corrective actions or preventive measures were or will be completed.

We understand a letter will be submitted by you to our Division of Materials Licensing to request a change in the name of the licensee on AEC License No. STA-383 from American Potash & Chemical Company to Kerr-McGee Chemical Corp.

Should you have questions concerning this inspection, we will be glad to discuss them with you.

Sincerely yours,

Boyce H. Grier
Regional Director

Enclosure:
Description of Noncompliance Items

bcc: G. W. Roy, CO (2)
L. Kornblith, CO
CO Files
PDR
NSIC
R. H. Engelken, CO

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AMERICAN POTASH & CHEMICAL COMPANY
LICENSE NO. STA-583

Certain activities under your license appear to be in noncompliance with AEC regulations and license requirements as indicated below:

1. 10 CFR 40.64(b), "Reports," states that each licensee who is authorized to possess at any one time and location more than 1000 kilograms of uranium or thorium, or any combination thereof, shall submit to the Commission within 30 days after June 30 of each year, a statement of his source material inventory. The reports shall be submitted to the U. S. Atomic Energy Commission, Post Office Box 2, Oak Ridge, Tennessee, 37830, and shall include the Reporting Identification Symbol (RIS) assigned by the Commission to the licensee.

Contrary to the above, a statement of your source material inventory for the period ending June 30, 1971, was not submitted to the Commission as required.

2. License Condition No. 8 of your license states that thorium is to be used in accordance with the procedures described in your application dated May 19, 1969. On page 11 attached to the May 19, 1969 application it is stated that, "Our process is essentially the sulfuric acid method for extracting thorium from Monazite ore."

Contrary to the above, it was learned during this inspection that beginning in January 1970, your process has been the sodium hydroxide caustic method for extracting thorium from Monazite ore.

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