



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76011

Central Files

August 21, 1978

License No. 25-17492-01

HKM Associates
ATTN: Mr. David McCullough
Vice President
Post Office Box 31318
Billings, Montana 59107

Gentlemen:

This refers to the inspection conducted by Messrs. Lorenzo Wilborn and Charles L. Heck of this office, on August 7, 1978, of the activities authorized by NRC Byproduct Material License No. 25-17492-01, and to the discussion of our findings held by Mr. Wilborn with Messrs. David McCullough, R. J. Toedter and J. E. Boring on August 7, 1978.

The inspection was an examination of the activities conducted under the license as they relate to radiation safety and 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, independent measurements and observations by the inspector.

Based on the results of this inspection, it appears that certain of your activities were not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith. These items of noncompliance have been categorized into the levels as described by Mr. Wilborn to you on August 7, 1978. No response is required for item 4 since it was corrected prior to completion of the inspection.

This notice is sent to you pursuant to the provisions of Section 2.201 of the NRC "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires you to submit to this office, within twenty (20) days of your receipt of this notice, a written statement or explanation in reply including (1) corrective actions which have been taken by you and the results achieved; (2) corrective actions which will be taken to avoid further items of noncompliance and (3) the date when full compliance will be achieved.

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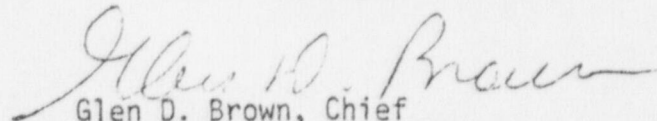
HKM Associates

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August 21, 1978

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Glen D. Brown".

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

Enclosure:
Notice of Violation