

NOV 13 1988

Docket No. 70-1257

Advanced Nuclear Fuels, Inc.
2101 Horn Rapids Road
P. O. Box 130
Richland, Washington 99352

Attention: Mr. Charles W. Malody, Manager
Corporate Licensing

Gentlemen:

SUBJECT: INSPECTION OF ADVANCED NUCLEAR FUELS, INC.

This refers to the routine inspection conducted by Messrs. J. F. Pang, K. M. Prendergast, and B. L. Brock of this office on September 6-9, and September 23, 1988, of activities authorized by NRC License No. SNM-1227 and to the discussion of our findings held by Mr. Brock with Mr. T. W. Patten and other members of your staff at the conclusion of the inspection.

Areas examined during this inspection are described in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, 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 as Appendix A.

Your response to this Notice is to be submitted in accordance with the provisions of 10 CFR 2.201, as stated in Appendix A, Notice of Violation.

In accordance with 10 CFR 2.790(a), a copy of this letter and the enclosure will be placed in the NRC Public Document Room.

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

Sincerely,

Ray F. Fish
Gregory P. Yuhas, Chief
Emergency Preparedness and
Radiological Protection Branch

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Enclosures:

- A. Notice of Violation
- B. Inspection Report No. 70-1257/88-08

cc w/enclosures:

W. S. Pennington, NMSS, HQ
G. H. Bidinger, NMSS, HQ
R. A. Schneider, ANF, Inc.
State of Washington

bcc w/enclosures:

RSB/Document Control Desk (RIDS) (IE05)
docket file
G. Cook
B. Faulkenberry
J. Martin

bcc w/o enclosure B:

M. Smith
LFMB

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KPendergast
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JPang *R.F.*
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GYuhas
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AJohnson
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YES / NO]	YES / NO]	YES / NO]	YES / NO]	YES / NO]

SEND TO PDR]
YES / NO]