

JUN 22 1988

In Reply Refer To:
Docket: 30-29720/88-01
License: 25-26866-01

Montana Tunnels Mining, Inc.
ATTN: Mr. Tom Weitz, Pegasus Gold Mine
General Manager
P.O. Box 176
Jefferson City, Montana 59638

Gentlemen:

This refers to the routine, unannounced radiation safety inspection conducted by Mr. W. L. Holley of this office on May 4, 1988, of the activities authorized by NRC Byproduct Material License 25-26866-01 and to the discussion of our findings held by the NRC inspector with you at the conclusion of the inspection.

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 NRC 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 enclosed with this letter.

The response directed by this letter and accompanying Notice is not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

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

Sincerely,

Original Signed By
D. A. POWERS

William L. Fisher, Chief
Nuclear Materials and Emergency
Preparedness Branch

Enclosure: (see next page)

RIV:NMIS *df*
WLHolley;df
6/22/88

C:NMIS *DP*
DAPowers
6/22/88

C:NMEPB *DP*
WLFisher *for*
6/22/88

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REG4 LIC30
25-26866-01 DCD

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LE07

Montana Tunnels Mining, Inc.

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Enclosure:
Appendix - Notice of Violation

cc w/enclosure:
Montana Radiation Control Program Director

bcc:
DMB - Original (IE-07)
RDMartin
RLBangart
REHall
WLFisher
*DAPowers
LShea, RM/ALF (AR-2015)
*NMEPB
*MIS System
*RIV Files (2)
*RSTS Operator
*WLHolley
JPotter, RII

*w/766