

NOV 3 1988

In Reply Refer To:
License: ND 33-16105-02
Docket: 15000033/88-C1 & 88-02.
EA 88-265

Basin Testing Laboratory, Inc.
ATTN: William S. Cobban, President
P. O. Box 1854
Williston, ND 58802-1854

Dear Mr. Cobban:

This refers to the special, unannounced radiation safety inspections conducted by Mr. Van R. Scovill of NRC's Region IV Uranium Recovery Field Office on September 1 and October 5-6, 1988, at Sheep Mountain near Laramie, Wyoming, and Williston, North Dakota, respectively. The inspections examined reciprocity activities authorized by 10 CFR 150.20. The findings of our inspections were discussed with you by telecons on September 7 and October 12, 1988. The enclosed NRC Inspection Reports 30-19606/88-01 and 88-02 document these inspections.

The inspection was an examination of 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 these inspections, certain of your activities appeared to be in violation of NRC requirements. Because of these apparent violations, you agreed on October 8, 1988, to suspend, in areas of exclusive NRC jurisdiction, all activities involving radioactive material licensed by any Agreement State. That commitment was formalized by an NRC Confirmation of Action Letter dated October 12, 1988. We are releasing this report at this time for your information. You are encouraged to review our findings and take corrective action as you believe appropriate. You will be notified by separate correspondence of our decision regarding enforcement action based on the findings of these inspections. No written response is required at this time; however, you may provide a response at this time, in particular if you wish to describe any corrective actions taken.

This letter also confirms the telephone conversation between Mr. D. B. Spitzberg of my staff and your legal representative, Mr. Robert Harms on November 2, 1988, concerning our request to conduct an enforcement conference. The date agreed upon was November 10, 1988, at 1:00 p.m. for this enforcement conference to be held in the NRC Region IV office in Arlington, Texas. At this enforcement conference, we wish to discuss the apparent violations described in the enclosed inspection report and, more generally, your apparent unwillingness to comply with the provisions of 10 CFR 150.20 and other NRC regulations.

RIV:URFO
VScovill
11/3/88

RIV:C:NMIS
DAPowers
11/3/88

C:NMIS
WLFisher
11/3/88

D:DRS
RLBangart
11/3/88

EO
GFSanborn
11/3/88

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

Sincerely,

Original Signed By

William L. Fisher, Chief
Nuclear Materials Safety Branch

Enclosures:

1. Appendix - NRC Inspection Reports
15000033/88-01 and 88-02
2. Agenda

cc w/enclosures:

North Dakota Radiation Control Program Director
Montana Radiation Control Program Director
Wyoming Radiation Control Program Director

bcc w/enclosures:

DMB - Original (IE-07) DBSpitzberg
RDMartin
RLBangart
REHall
WLFisher
*DAPowers
LShea, RM/ALF (AR-2015)
*Inspector
*NMSB
*MIS System
*RIV Files (2)
*RSTS Operator
GFSanborn
JLieberman, OE
DDriskill, OI, RIV
w/766