

UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION III  
799 ROOSEVELT ROAD  
GLEN ELLYN, ILLINOIS 60137

MAR 19 1975

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Kerr-McGee Nuclear Corporation  
ATTN: Mr. W. J. Shelley, Director  
Regulation and Control  
Kerr-McGee Center  
Oklahoma City, Oklahoma 73102

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OK

Docket No. 70-1123

75-01

Gentlemen:

This refers to the physical security inspection of Special Nuclear Materials In Transit conducted by Messrs. J. F. Donahue and D. M. Carlson of this office and M. D. Schuster of our Region V office on February 18-22, 1975, of activities authorized by NRC Special Nuclear Materials License No. SNM-1174 and to the discussion of our findings with Messrs. Moore, Janka and Adkisson of your staff at the conclusion of the inspection.

The inspection was an examination of the implementation of the Kerr-McGee and Tri-States Motor Transit Company security plans for protection of Special Nuclear Materials in transit and Section 10 of License Conditions MPP-1 effective March 25, 1974. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel and observations by the inspectors.

During this inspection, it was found that certain of your activities appear to be in noncompliance with NRC requirements. The items and reference to the pertinent requirements are listed in the enclosure to this letter. Additionally, it was found that certain of Tri-States activities appear to deviate from the requirements of their SNM Security Transportation Manual. For your information, the letter and enclosure which was sent to Tri-State Motor Transit Company is attached.

This notice is sent to you pursuant to the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires that you submit to this office within twenty days of your receipt of this notice a written statement or explanation in reply, including: (1) corrective steps which have been taken by you, and the results achieved; (2) corrective steps which will be taken to avoid further items of noncompliance; and (3) the date when full compliance will be achieved. Such a statement or explanation should be provided for each of the items listed and should be submitted as a separate enclosure to your transmittal letter.



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Kerr-McGee Nuclear Corporation

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Areas examined during this inspection concern a subject matter which is exempt from disclosure according to Section 2.790 of the NRC's 'Rules of Practice,' Part 2, Title 10, Code of Federal Regulations. Consequently, our report of this inspection (Report No. 070-1193/75-01), the enclosure to this letter, your response to the items listed in the enclosure and the enclosure to the letter sent to Tri-State Motor Transit Company will not be placed in the Public Document Room.

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

Sincerely yours,

J. A. Hind, Chief  
Materials and Plant  
Protection Branch

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