SEP 0 3 1987

Babcock and Wilcox Company ATTN: J. A. Eanes, Manager

Employee, Community and Regulatory

Relations

Naval Nuclear Fuel Division

P. D. Box 785

Lynchburg, VA 24505-0785

Gentlemen:

SUBJECT: NRC INSPECTION REPORT NO. 70-824/87-01

Thank you for your response of August 20, 1987, to our Notice of Deviation, issued on July 22, 1987, concerning activities conducted at your Naval Nuclear Fuel Division Research Laboratory facility. We have evaluated your response and found that is meets the requirements of 10 CFR 2.201. We will examine the implementation of your corrective actions during future inspections.

We appreciate your cooperation in this matter.

Sincerely,

J. Philip Stohr, Director Division of Radiation Safety and Safeguards

cc: A. F. Olsen, Senior License Administrator

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