



March 6, 2006

Mr. George Pangburn, Director
Division of Nuclear Materials Safety
U. S. Nuclear Regulatory Commission
Region I
475 Allendale Road
King of Prussia PA 19406-1415

52-25580-01

RE: Response to Apparent Violations in Inspection Report No. 03035886/2005001

Dear Mr. Pangburn:

This letter presents our written response to the apparent violations outlined in your letter dated February 9, 2006. Even though we agree with the information contained in the inspection report, we would like to add some comments regarding the violations.

Apparent Violation #1

Our company has provided all our technicians with the necessary equipment and/or tools to comply with NRC's Enforcement Policy. We, on a routine basis, verify that they are in compliance and follow these guidelines. We have also trained our staff with the use of the gauge and its transportation. Consequently, what occurred August 16, 2005 was completely and solely a human error by one individual, and disciplinary actions were taken upon him.

Immediately after the incident occurred, steps were taken to correct the situation. As soon as the technician became aware that he lost the gauge, he notified the RSO. We also immediately notified the local police department and the local media. In addition, we offered a reward for the gauge, requested an interview with a local television station (which we did), and placed advertisements for the return of the gauge. We also notified the NRC of the incident as well as the Department of Health. Our efforts paid off, as the gauge was returned, still locked in its case and undamaged.

To avoid future mistakes like this, our entire staff was retrained in the use of the gauge and its transportation. It should be noted that we significantly emphasized the importance of following the NRC's guidelines for their own safety as well as the general public's safety, and the seriousness of what happened. Our whole staff is well aware of this.

Apparent Violation #2

As explained above, we have supplied our technician with all the necessary equipment and/or tools to comply with NRC policies. This means that the independent physical



controls that form barriers to secure the gauge were present, but not used by the technician. The corrective steps were explained above.

Apparent Violation #3

The reason why the violation occurred, the corrective steps taken after the incident, and the steps taken to avoid further violations were detailed above.

We greatly appreciate your understanding and guidance through this undesirable process. It is my personal commitment that as a company, we will work hard to elevate our standards and will take any necessary steps to avoid future problems.

With all due respect,

A handwritten signature in black ink, appearing to read "Carlos Al Mercado", is written over the typed name and title.

Carlos Al Mercado
President
GEO-EXPLOR, INC.