

October 8, 1996

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Regional Administrator
Region II
101 Marietta Street, NW
Suite 2900
Atlanta, GA 30323

Re. NR-2 Inspection Report No. 47-24809-01/96-01 and Notices of Violation

Dear Sir:

This letter will constitute a Reply to Notice of Violation for the above referenced report and notices of violation. I would like to address each alleged violation individually. Any statements contained therein do not constitute any admissions of violations of any statutes, corresponding regulations or license No. 47-24809-01.

1. The inspector has alleged that Condition 14A of License No. 47-24809-01 was violated because, as of August 28, 1996, the licensee was performing leak tests of its sealed sources annually. Eastern Associated Coal Corp. ("Eastern") would like to contest this violation. Eastern properly performed leak tests every six months from May 20, 1995 through April 21, 1996, the entire time the equipment was in Eastern's possession. Scan Technologies performed a leak test on the equipment on August 7, 1996 and no violations existed as a result of the test. I have attached copies of the leak test certificates.

2. The inspector has alleged that Condition 16 of License No. 47-248089-01 was violated because, as of August 28, 1996 the licensee was conducting annual inventories of its Coal Scan Gauges. Eastern would like to contest this violation. Eastern has conducted inventories of its Coal Scan gauges (sources) every six months. The Coal Scan source was sent to Scan Technologies, the manufacturer on August 7, 1996. Eastern verified that the manufacturer was an appropriate licensee to allow for the proper transfer. Eastern has updated its files with documentation of the transfer which occurred on August 7, 1996, which is within the six month period in which the inventory must be conducted.

3. The Inspector has alleged that Condition 20 of License No. 47-24809-01 was violated because the license requires the licensee to test the proper operation of the on/off

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mechanism of each gauge every six months and as of August 28, 1996, the licensee was performing the test annually. Eastern would like to contest this violation. The on/off mechanism was tested when the leak tests were performed every six months from May 20, 1995 through April 21, 1996, the entire time the equipment was in Eastern's possession. It is Eastern's understanding that Scan Technologies tested the on/off mechanism when they performed a leak test on the equipment on August 7, 1996.

4. The Inspector has alleged that Eastern violated 10 CFR 20.1101(c) which states that the licensee shall periodically review (at least annually) the radiation protection program content and implementation and, as of August 28, 1996, Eastern had not performed an annual review of the radiation safety program. Eastern would like to contest the violation. Eastern personnel reviewed the required radiation protection program with applicable employees, however, Eastern will examine its files by October 18, 1996 to make certain the appropriate documentation is included to verify that the review has been conducted.

5. The Inspector has alleged a violation of Condition 10D of License 47-24809-01 which requires the licensee to maintain copies of all required records for the activities authorized by this license at the Wells office in Wharton, West Virginia. While Eastern does not dispute the factual allegations contained in this statement, it does not constitute an admission of a violation. Eastern will review its files to ensure that all appropriate information is contained by October 18, 1996.

Eastern remains committed to environmental compliance with all applicable environmental statutes and their corresponding regulations. Please contact me if you have any questions.

Very truly yours,



Don Rector

cc. U. S. Nuclear Regulatory Commission

SCANTECHNOLOGIES

Nº 1123

SCAN TECHNOLOGIES, INC. • 147 11th Avenue, Suite 300 • South Charleston, WV 25303
Telephone: (304) 744-5311 • Fax: (304) 744-5699

LEAK TEST CERTIFICATE

Customer Scan Technologies, Inc. Date 11/17/94
147 11th. Avenue, Suite 300 Wipe Date 11/16/94
Address South Charleston, WV 25303
City, State Cs137 s/n 9981GH 6 month leak test.
Swab Identification: _____

MEASUREMENT RESULTS

NO RADIOACTIVITY OVER 0.005 uCi.

Certified by


Engineering Manager

Title

This certificate should be kept until 11/16/97 to verify compliance with leak test regulations of the U.S. Nuclear Regulatory Commission or state regulatory agency.



3008 Cornwallis Rd. P.O. Box 12057 Research Triangle Park,
North Carolina 27709, U.S.A.

Model # Coal Scan, Serial # 3500
- Serial # _____, Serial # _____
Date: 5/20/95

Write legibly and firmly. This is your return address label.

STERN Assoc. Coal
Box 29
Horton, WV 25208

Name: Don Rector
Phone: (304) 247-6266

ORIGINAL COPY

LEAK TEST ANALYSIS

This certifies that the sample accompanying this form has been analyzed using an approved monitoring method that measures both beta/gamma & alpha contamination; and, that the results of this analysis shows the removable activity to be less than 0.005 microcuries.

Marc Wheeler
5/25/95

3008 Cornwallis Rd. P.O. Box 12057 Research Triangle Park,
North Carolina 27709, U.S.A.

Model # Coal Scan, Serial # 3500
- Serial # _____, Serial # _____
Date: 10/22/95

Write legibly and firmly. This is your return address label.

STERN Associated Coal
Box 29
Horton, WV 25208

Name: Don Rector
Phone: (304) 247-6266

ORIGINAL COPY

LEAK TEST ANALYSIS

This certifies that the sample accompanying this form has been analyzed using an approved monitoring method that measures both beta/gamma & alpha contamination; and, that the results of this analysis shows the removable activity to be less than 0.005 microcuries.

M. Williams
10-26-95



3008 Cornwallis Rd. P.O. Box 12057 Research Triangle Park,
North Carolina 27709, U.S.A.

Device - Model CalScan, Serial # 3500
Source(s) - Serial # CS 137, Serial # _____
Date of Test: 4/2/96

Please print legibly and firmly. This is your return address label.

- Eastern Associated Coal
- Box 29
- Wharton, WV 25208

Your Name: DON RECTOR
Telephone: (304) 247-6266

ORIGINAL COPY

LEAK TEST ANALYSIS

This certifies that the sample accompanying this form has been analyzed using an approved monitoring method that measures both beta/gamma & alpha contamination; and, that the results of this analysis shows the removable activity to be less than 0.005 microcuries.

M. Williams
5-3-96

SCANTECHNOLOGIES

Nº 1601

SCAN TECHNOLOGIES, INC. • 2915 Courtyards Drive, Suite B • Norcross, GA 30071
Telephone: (404) 447-8008 • Fax: (404) 447-8038

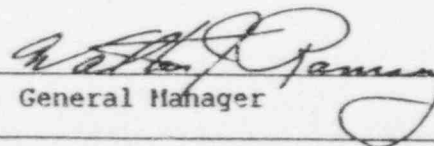
LEAK TEST CERTIFICATE

Customer Eastern Associated Coal Corp. Date 08/22/96
Address PO Box 29 08/07/96
City, State Wharton, WV 25208 Wipe Date 08/07/96
Swab Identification: CS3500 s/n 80186 6 month leak test.

MEASUREMENT RESULTS

NO RADIOACTIVITY OVER 0.005 uCi.

Certified by


General Manager

Title

08/07/99

This certificate should be kept until _____ to verify compliance with leak test regulations of the U.S. Nuclear Regulatory Commission or state regulatory agency.

SITE SERVICE REPORT

SCANTECHNOLOGIES

2915 Courtyards Dr., Suite B
Norcross, GA 30071
Phone: 770/447-8008
Fax: 770/447-8038

Daniel Cho
Service Representative

Service For: _____
Company: Eastern Associated Coal
Site: Wells Prop Plant
Date: 8/7/1996
P.O.#: Jack Ramsey has P.O. #
Job#: 80186.4

Wood 8-7-96
Site Representative

Service Performed:

- decommissioned CS3500
- sent source (AK 241 & CS 137) back to Atlanta to Scan Technologies office
- checked general aspect of machine

Stock Parts Used:

Qty Description

Stock Parts Removed from Site:

Qty Description

1	AK 241
1	CS 137

Non-Stock Parts Used:

1 Wire test kit

Signed: _____

Scan Technologies, Inc.

Date: _____

8/7/1996

Signed: _____

Site Representative

Date: _____

8-7-96