

OCT 16 1996

A.C. Demos, President  
Chemalloy Company, Inc.  
P.O. Box 350  
Bryn Mawr, PA 19010-0350

SUBJECT: INSPECTION NO. 9990001/96-009

Dear Mr. Demos:

On September 16, 1996, Penny Lanzisera of this office conducted a confirmatory safety inspection at 1301 Conshohocken Road, Conshohocken, Pennsylvania. The inspection was limited to a confirmatory survey of Building 4C, Warehouse A, and a waste roll-off container, in support of your request to continue licensed activities under a general license. The findings of the inspection were discussed with you and other members of your staff, at the conclusion of the inspection. A copy of the NRC inspection report is enclosed.

An evaluation of the radiological survey results indicates that all areas surveyed were at background levels, with the exception of: 1) the baddelyite product storage area in Warehouse A; 2) the baddelyite floor sweepings contained in a roll-off container at the facility; and 3) the rutile product storage area. Rutile product was analyzed by your consultant and found to contain concentrations of uranium and thorium less than 0.05 percent, and therefore does not meet the definition of source material. An evaluation of the current inventory records indicates that your current possession of source material in the form of baddelyite product is approximately 2.5 pounds. 10 CFR 40.22 requires, in part, that a general licensee possess less than 15 pounds at any one time. Therefore, your current activities are licensed in accordance with 10 CFR 40.22.

Within the scope of this inspection, no violations were identified.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter will be placed in the Public Document Room. No reply to this letter is required.

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A.C. Demos  
Chemalloy

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Your cooperation with us is appreciated.

Sincerely,

**ORIGINAL SIGNED BY:**

John D. Kinneman, Chief  
Nuclear Materials Safety Branch 2  
Division of Nuclear Materials Safety

Docket No.: 9990001  
License No.: General License

Enclosure:  
Inspection Report No. 9990001/96-009

cc:  
Anthony LaMastra  
Health Physics Associates, Inc.  
1005 Old Route 22  
Lenhartsville, PA 19534

Commonwealth of Pennsylvania

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