



December 19, 1996

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555

Subject: Reply to a Notice of Violation (License No. 37-19991-01)
Inspection No. 030-19638/96-001

In response to a safety inspection performed by Mr. R.H. Ladun October 24, 1996 and subsequent follow-up letter received from the NRC on December 10, 1996, we offer the following for your consideration.

A. License Condition 11B - Radiation Safety Officer

Amendment No. 06 of the our NRC materials license lists Mr. Anthony Materkowski as the Radiation Safety Officer (RSO). Mr. Materkowski was terminated from employment by CQ Inc. in October 1992. At that time, Mr. Thomas DiMuzio assumed Mr. Materkowski's duties as the RSO. Mr. DiMuzio is listed on the license as a qualified person to use or supervise the use of licensed material (Condition 11A). Mr. DiMuzio has since left the company (July 1995), and Mr. Glenn A. Shirey took over his duties in regard to source inventory and leak testing. Mr. Shirey received training on these procedures from Mr. DiMuzio prior to Mr. DiMuzio's departure. Mr. Shirey is not qualified to install, relocate, maintain, or repair any device containing licensed material. Please inform on the requirements to have Mr. Shirey or another person installed as the RSO for this site.

CQ Inc. is in the process of transferring these devices from specific to general licenses, and will likely have those devices deemed to be non-transferable removed and disposed. Discussions with the NRC and the device manufacturers has led to some confusion on the proper procedure to transfer the license, especially with regard to the order of events. For example, there is the question of whether the manufacturer should visit our site and re-label the devices prior to or after NRC's approval on the transfer. We are asking for additional clarification from the NRC on this matter. We are also unclear on what are responsibilities will be and whether an RSO is required if the remaining sources are transferred to a general license.

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B. License Condition 17 - Physical Inventory

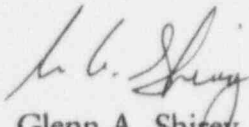
Physical inventories are performed twice a year, typically in June and December. A physical inventory was performed within six months of the December 17, 1995 inventory; however, the results of this inventory were not documented. CQ Inc. will take steps to ensure that all future inventories are documented as in previous years. The results of the December 1996 inventory are attached.

C. License Condition 18 - Survey Meter Calibration

Contrary to the findings of the inspection, the radiation survey meter is calibrated once a year. All calibration reports are kept on file at CQ Inc. in an NRC Log. The meter was calibrated in 1995 by Atomic Energy Industrial Laboratories of Houston, Texas (see attached certificate of calibration), and will be calibrated again before the end of the year.

We hope this information addresses the concerns raised during the inspection. CQ Inc. apologizes for any oversights or omissions in complying with the conditions of the license, and will take every step necessary to ensure that these events are not repeated. We hope to continue exchanging information as required to dispose of or to transfer these devices to a general license, and would appreciate any further information you can provide to assist us. Please give me a call if you need additional information or have any questions.

Sincerely,



Glenn A. Shirey
Project Manager

Attachments: Nuclear Source Audit - December 1996
Certificate of Meter Calibration - October 1995

xc: Ms. Jenny M. Johansen
U.S. Nuclear Regulatory Commission
Region 1
475 Allendale Road
King of Prussia, PA 19406

NUCLEAR SOURCE AUDIT

DATE OF AUDIT

December 19, 1996

NRC License #37-19991-01

AUDITOR

Glenn Shirey

Source Material - Cesium 137

Serial Number	Manufacture	Quantity	Leak Tested	Location and General Area
11626	KAY-RAY	100mCi	9/94*	1st Floor Agitated Storage Discharge
11627	KAY-RAY	100mCi	12/95	1st Floor Heavy Media "U"-tube
11628	KAY-RAY	100mCi	12/96	Nuclear Storage Building
11629	KAY-RAY	100mCi	9/94*	3rd Floor Floatation
11630	KAY-RAY	100mCi	9/94*	3rd Floor Floatation
11631	KAY-RAY	100mCi	9/94*	2nd Floor Heavy Media Feedbox
14041	KAY-RAY	100mCi	9/94*	Bulk Magnetite Discharge
14042	KAY-RAY	100mCi	12/95	2nd Floor Thickener Discharge
14043	KAY-RAY	100mCi	12/96	Nuclear Storage Building.
M0584	RONAN	1000mCi	12/96	1st Floor Ballmill Discharge
M0939	RONAN	1000mCi	9/94*	Nuclear Storage Building.
B1865	TEXAS NUCLEAR	1000mCi	9/94*	3rd Floor Pilot Flotation

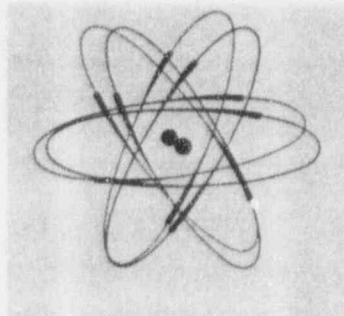
All Source Shutters operational ☒ Yes ☐ No

* These sources are due to be leak-tested in 1997.

cc: J. Parkinson
NRC Log

ATOMIC ENERGY INDUSTRIAL LABORATORIES

OF THE SOUTHWEST



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HERBERT C. ALLEN, JR.
President

ACCT# 5978
PO# 1185

Radiation Survey Instrument

CQ Inc.
Attn: Glen Shirey
One Quality Center RR2
Box 2113
Homer PA 15748

Manufacturer: Texas Nuclear

Model Number: 184100

Serial Number: B336

Date of Calibration: 10/07/95

CERTIFICATE OF CALIBRATION -- RADIATION SURVEY INSTRUMENT

This is to certify that the radiation survey instrument identified above has been calibrated in accordance with Texas Regulations for Control of Radiation, Part 21, Par. 21.201, and in compliance with current Nuclear Regulatory Commission regulations, on the date indicated above.

The necessary adjustments were made to bring the radiation survey instrument readings within $\pm 20\%$ of the calculated milliroentgens per hour from a Cs-137 source.

Probe Serial Number: None

Meter Reading:

<u>Scale</u>	<u>Calibrated Reading</u>	<u>Instrument Reading</u>
0-0.1 mr/hr	0.03	0.03
	0.07	0.07
0-0.3 mr/hr	0.15	0.15
0-1.0 mr/hr	0.3	0.3
	0.7	0.7
0-3.0 mr/hr	1.5	1.5
0-10.0 mr/hr	3.0	3.0
	7.0	7.0
0-30.0 mr/hr	15.0	16.0
0-100.0 mr/hr	30.0	36.0
	70.0	80.0

Date: 10/09/95

Signed: Steven H. Allen

Steven H. Allen, Manager

Form 158 (Rev. 5/88)