



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76011

Central File

September 7, 1978

License No. SUA-917
Docket No. 40-3453

Atlas Minerals
ATTN: Richard A. Adrian
General Superintendent
Post Office Box 1207
Moab, Utah 84532

Gentlemen:

This refers to the inspection conducted by Messrs. J. B. Baird and M. J. Mustain of this office, on August 2-3, 1978, of the activities authorized by NRC Source Material License No. SUA-917, and to the discussion of our findings held by Mr. Baird with you and members of your staff at the conclusion of the inspection on August 3, 1978.

The inspection was an examination of the activities conducted under the license as they relate to radiation safety and to compliance with the Commission's rules and regulations and the conditions of the license. The inspection consisted of selective examinations of procedures and representative records, interviews of personnel, independent measurements and observations by the inspector.

The inspectors also reviewed the action you had taken with respect to fifteen items of noncompliance observed during our previous two inspections conducted June 13-15 and 22, 1977, and August 31, 1977. They verified that the corrective action with respect to these items was implemented as stated in your replies of August 15, and November 17, 1977, to our letters dated July 20, and October 27, 1977.

Based on the results of this inspection, it appears that certain of your activities were not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith. These items of noncompliance have been categorized into the levels as described in the correspondence to you dated December 31, 1974.

This notice is sent to you pursuant to the provisions of Section 2.201 of the NRC "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires you to submit to this office, within twenty (20) days of your receipt of this notice, a written statement or explanation in reply including (1) corrective actions which have been taken to avoid further items of noncompliance; and (3) the date when full compliance will be achieved.

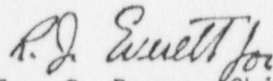
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In accordance with Section 2.790 of the NRC "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room. If this report contains any information that you believe to be proprietary, it is necessary that you make a written application within twenty (20) days to this office to withhold such information from public disclosure. Any such application must include a full statement of the reasons it is claimed that the information is proprietary. It should be prepared so that proprietary information identified is contained in a separate part of the document, since the application, excluding this separate part, will also be placed in the Public Document Room. If we do not hear from you in this regard within the specified period, the report will be placed in the Public Document Room.

Should you have any questions concerning this letter, please let me know.

Sincerely,



Glen D. Brown, Chief
Fuel Facility and Material
Safety Branch

Enclosures:

1. Notice of Violation
2. IE Inspection Report No. 40-3453/78-01