



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

October 5, 2006

Leah Alcyon
Radiation Safety Officer
GeoEngineers, Inc.
8410 154th Avenue NE
Redmond, Washington 98052-3886

SUBJECT: NRC INSPECTION REPORT 030-35685/2006-001 AND NOTICE OF VIOLATION

Dear Ms. Alcyon:

This refers to the inspection conducted on September 11, 2006, at your facility in Redmond, Washington. The inspection results were discussed with you at the conclusion of the onsite inspection.

This inspection was an examination of activities conducted under your license as they relate to radiation safety and compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, independent measurements, and interviews with personnel.

Based on the results of this inspection, the NRC has determined that two Severity Level IV violations of NRC requirements occurred. These violations were evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at www.nrc.gov; select **What We Do, Enforcement**, then **Enforcement Policy**. The violations are cited in the enclosed Notice of Violation (NOV) and the circumstances surrounding them are described in detail. The violations are being cited in the NOV because they were identified by the NRC during the inspection.

You are required to respond to this letter and should follow the instructions specified in the enclosed NOV when preparing your response. For your consideration and convenience, an excerpt from NRC Information Notice 96-28, "SUGGESTED GUIDANCE RELATING TO DEVELOPMENT AND IMPLEMENTATION OF CORRECTIVE ACTION," is enclosed. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction.

GeoEngineers, Inc.

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Should you have any questions concerning this inspection or the enclosed Notice of Violation, please contact Anthony D. Gaines at (817) 860-8252 or the undersigned at (817) 860-8287.

Sincerely,

/RA/

Vivian H. Campbell, Chief
Nuclear Materials Inspection Branch

Docket No.: 030-35685
License No.: 46-27696-01

Enclosures:

1. Notice of Violation
2. NRC Information Notice 96-28

cc w/Enclosure 1:
Washington Radiation Control Program Director

GeoEngineers, Inc.

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bcc w/enclosure 1 (via ADAMS distrib):

LDWert

CLCain

VHCampbell

JEWhitten

ADGaines

RITS Coordinator

NMIB

RIV Materials Docket File (5th floor)

SUNSI Review Completed: ADG ADAMS: X Yes No Initials: ADG

X Publicly Available Non-Publicly Available Sensitive X Non-Sensitive

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ADGaines	VHCampbell	
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ENCLOSURE 1

NOTICE OF VIOLATION

GeoEngineers, Inc.
Redmond, Washington

Docket No. 030-35685
License No. 46-27696-01

During an NRC inspection conducted on September 11, 2006, two violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

- A. 10 CFR 20.1302(a) requires, in part, that the licensee shall make or cause to be made, as appropriate, surveys of radiation levels in unrestricted and controlled areas to demonstrate compliance with the dose limits for individual members of the public in 10 CFR 20.1301.

Contrary to the above, the licensee failed to make or cause to be made, as appropriate, surveys of radiation levels in unrestricted and controlled areas to demonstrate compliance with the dose limits for individuals members of the public in 10 CFR 20.1301. Specifically, the licensee increased the number of portable nuclear gauges stored at the licensee's field office in Boise, Idaho from one to two gauges in February 2006, and did not make surveys of radiation levels in unrestricted and controlled areas for the two portable nuclear gauges stored at the licensee's field office. Therefore, from February 2006, to the date of the inspection, the licensee had failed to make or cause to be made, as appropriate, surveys of radiation levels in unrestricted and controlled areas to demonstrate compliance with the dose limits for individual members of the public in 10 CFR 20.1301.

This is a Severity Level IV violation (Supplement IV).

- B. 10 CFR 71.5(a) requires that a licensee who transports licensed material outside of the site of usage, as specified in the NRC license, or where transport is on public highways, or who delivers licensed material to a carrier for transport, shall comply with the applicable requirements of the Department of Transportation (DOT) regulations in 49 CFR Parts 107, 171 through 180, and 390 through 397, appropriate to the mode of transport .

49 CFR 172.702 requires that each hazmat employer shall ensure that each hazmat employee is trained and tested, and that no hazmat employee performs any function subject to the requirements of 49 CFR Parts 171-177 unless trained, in accordance with Subpart H of 49 CFR Part 172. The terms Hazmat Employer and Hazmat Employee are defined in 49 CFR 171.8.

49 CFR 172.704(a) specifies the elements of hazmat employee training as (1) general awareness/familiarization training, (2) function-specific training, (3) safety training, and (4) security awareness training. 49 CFR 172.704(c) requires, in part, that a hazmat employee receive initial training and recurrent training at least once every three years.

Contrary to the above, the licensee did not provide training for its hazmat employees which satisfied the requirements in Subpart H to 49 CFR Part 172, in that the licensee

did not provide recurrent training at least once every three years, and the licensee otherwise meets the definition of hazmat employer in 49 CFR 171.8. Specifically, three portable nuclear gauge users at the licensee's Boise, Idaho office at the time of this inspection had not received hazmat training since 2001 for two individuals and 1993 for another individual, a period greater than three years.

This is a Severity Level IV violation (Supplement V).

Pursuant to the provisions of 10 CFR 2.201, GeoEngineers, Inc., is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555, with a copy to the Regional Administrator, Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011, within 30 days of the date of the letter transmitting this Notice of Violation (NOV). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this NOV, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>, to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

In accordance with 10 CFR 19.11, you may be required to post this NOV within two working days.

Dated this 5th day of October 2006.