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April 29, 2008

U.S. Nuclear Regulatory Commission
ATTN. Document Control Desk
Washington, D.C. 20555-0001

RE: Reply to Notice of Violation
Chevron Environmental Management Company
San Ramon, CA 94583-2324
Docket No. 04008778
License No. SMB – 1393

Dear Sir or Madam:

As a result of a Nuclear Regulatory Commission (NRC) inspection conducted on February 27, 2008 at the Chevron Mining, Inc. (Chevron) Washington, PA remediation site, NRC has determined that one Severity Level IV violation of NRC requirements occurred. The stated violation consisted of preparation of a limited quantity package for transportation without use of properly trained employees. The Notice of Violation (NOV) letter dated April 2, 2008 was received by Chevron on April 4, 2008.

During the February 27, 2008 inspection, NRC reviewed soil sample shipment records for 2008 and observed that a limited quantity package was prepared on February 15, 2008. The package was properly identified, labeled and packaged per the applicable regulations, but the employees who prepared the package did not have appropriate or current 49 CFR part 172 Subpart H training.

In accordance with the NRC instructions for response to this NOV provided in your April 2, 2008 letter, Chevron, its contractor Malcolm Pirnie, Inc., and subcontractor, Environmental Restoration Group (ERG) representatives conducted an investigation of the incident to determine the root cause, document the interim steps taken immediately upon learning of the issue, and implement corrective measures to prevent further violations. The investigation included interviews with employees and managers routinely involved with and/or responsible for the packaging of radioactive materials prior to transportation. The investigation also included a review of the existing and applicable procedures for preparation of radioactive materials for transportation.

As indicated by the results of the investigation, the procedure for preparation of environmental samples for shipment (Procedure M-10, Rev. 3; August 1, 2007) had previously been performed by the Assistant Radiation Safety Officer, Robert Massengill, who had current Subpart H training. In addition, the employees who prepared the package for shipment on February 15, 2008 were trained in specific sample screening, preparation, packaging and shipping tasks identified in our site Procedure M-10. Mr. Massengill was responsible for supervising the preparation and shipment of packages of limited quantity soil samples.

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Mr. Massengill left the project on January 25, 2008. One limited quantity package was prepared and shipped on February 15, 2008 subsequent to Mr. Massengill's departure. On this date, the employees implementing site Procedure M-10 did not have appropriate or current Subpart H training, nor were they appropriately supervised by an individual with Subpart H training.

The root cause of the deficiency has thus been identified as insufficient site management oversight to ensure a 49 CFR Part 172 Subpart H trained employee had supervisory responsibility for packaging and shipment of limited quantity soil samples. This failure occurred when the trained supervisor resigned at the end of January 2008 and another trained supervisory employee with appropriate training was not assigned this responsibility. The other root cause identified was failure to follow Chevron's Management of Change (MOC) process pertaining to staffing changes, and re-assignment of responsibilities.

When Chevron and its contractor Malcolm Pirnie were made aware of the potential violation on February 27, 2008 by the NRC inspector, the Malcolm Pirnie, Inc. Field Manager, Charles Beatty, immediately was assigned supervisory responsibility for future shipments involving limited quantity material. The Radiation Safety Officer, George Dawes, was assigned backup responsibility in the event of Mr. Beatty's unavailability to supervise any limited quantity shipment. Both Mr. Beatty and Mr. Dawes have current Subpart H training.

Subsequently, those employees routinely involved in preparation of radiological soil samples for shipment have completed Subpart H training. This training was completed by April 17, 2008.

With implementation of the immediate and subsequent corrective actions identified above, Chevron has been in compliance with the requirements for packaging and shipping limited quantity samples since the date of the inspection, February 27, 2008. Strict adherence to site Procedure M-10, Rev. 3, the Chevron MOC process and the additional Subpart H training mentioned above will ensure compliance with the Commissions rules and regulations pertaining to shipment of limited quantity samples.

Sincerely,



Mark R. Lafferty
Deputy Project Owner

cc: Regional Administrator, Region I
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