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DNMS

May 29, 2009

Nuclear Regulatory Commission
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Mr. Howell,

This letter is in response to the NRC Inspection Report 030-37783/09-001;
EA-09-070

Two Apparent Violations

Failure to use two independent physical controls to secure a portable gauge while in storage in our Douglas, Wyoming field office

- Reason for Violation

We lease the office and storage shed and the owner still had a key to the storage shed where the gauge is being stored.

- Corrective Steps

The day of the inspection, February 9, 2009, we obtained the extra key from the owner.

- Corrective steps that will be taken to avoid further violations

If we are ever in this situation again, we would make sure we have all the keys to the storage area. We could add another physical control to secure the portable gauge, for example a secured locked box with the gauge chained inside the box.

- The date when full compliance will be achieved

The key was retrieved from the owner on the day of the inspection, February 9, 2009, and is in the Douglas office.

Failure to file a submittal prior to engaging in licensed activities in NRC jurisdiction

- Reason for Violation

There was a misunderstanding by the RSO of the need to file a submittal in a Non-Agreement State. She knew that it was necessary to file in an Agreement State and has done that, but did not understand that it was necessary to file in a Non-Agreement State.

- Corrective Steps

On August 15, 2008, the company obtained an NRC license to use portable gauges in NRC jurisdiction.

- Corrective steps that will be taken to avoid further violations
We will obtain a permit to use the gauges in Colorado, and any other agreement states but are now able to use the gauges in Wyoming.
- The date when full compliance will be achieved
August 15, 2009

Two violations not subject to escalated enforcement
Failure to have or have access to a survey meter

- Reason for Violation
The RSO had not contacted the Douglas fire department to determine if they had a survey meter that would be available for our use.
- Corrective Steps
On March 18, 2009 the RSO contacted the Wyoming Fire Marshall who is based in Douglas to see if he had a survey meter available. He was also a member of the Douglas Fire Department. He said that the fire department had two meters that would be available.
- Corrective steps that will be taken to avoid further violations
If we were to open another office in Wyoming or Montana we would locate a meter to use or we would purchase our own meter.
- The date when full compliance will be achieved
Full compliance was achieved on March 18, 2009 when the RSO spoke with the Wyoming Fire Marshall. An email correspondence to Jason Razzo was sent informing him of this.
Failure to follow operating procedures for signing out the gauge on days of use
- Reason for Violation
Sign out sheets were available but had not been put out in the storage area yet.
- Corrective Steps
A clip board with sign out sheets has been placed in the storage area, and employees have been instructed to use them every time they use the gauge.
- Corrective steps that will be taken to avoid further violations
The RSO has the responsibility of making sure that forms, including sign out sheets and standard count sheets are made available to employees. Through proper training employees will be more aware of the requirements.
- The date when full compliance will be achieved
Sign out sheets were put in the shed February 9, 2009 and a clip board was placed in the shed with the sheets in March.

If there are any questions, please feel free to contact me.

Sincerely yours,

FOR THE FIRM OF
PANHANDLE GEOTECHNICAL & ENVIRONMENTAL, INC.

A handwritten signature in black ink, appearing to read "David Schaff". The signature is fluid and cursive, with a long horizontal stroke at the end.

David Schaff, P.E.
Laboratory Manager

A handwritten signature in black ink, appearing to read "Sydney Johnson". The signature is cursive and flows across the line.

Sydney Johnson
Radiation Safety Officer