

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

<p>1. LICENSEE/LOCATION INSPECTED: Gibson County Coal, LLC 2579 West Gibson Coal Road Princeton, Indiana REPORT NUMBER(S): 2011-001</p>	<p>2. NRC/REGIONAL OFFICE U.S. Nuclear Regulatory Commission, Region III 2443 Warrenville Road, Suite 210 Lisle, Illinois 60532</p>
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<p>3. DOCKET NUMBER(S) 030-35481</p>	<p>4. LICENSEE NUMBER(S) 13-32272-01</p>	<p>5. DATE(S) OF INSPECTION March 24, 2011</p>
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LICENSEE:

The inspection was an examination of the activities conducted under your license as they relate to radiation safety and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector. The inspection findings are as follows:

- 1. Based on the inspection findings, no violations were identified.
- 2. Previous violation(s) closed.
- 3. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy, NUREG-1600, to exercise discretion, were satisfied

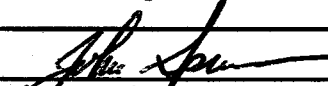
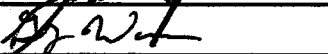

_____ Non-cited violation(s) were discussed involving the following requirement(s):

- 4. During this inspection certain of your activities, as described below and/or attached, were in violation of NRC requirements and are being cited. This form is a NOTICE OF VIOLATION, which may be subject to posting in accordance with 10 CFR 19.11

License Condition No. 13.A. of NRC License No. 13-32272-01 requires that the licensee test sealed sources for leakage and/or contamination off at intervals not to exceed the intervals specified in the certificate of registration. The certificate of registration for Texas Nuclear Model 5201 and 5202 slurry density gauges specifies that they be leak tested at three-year intervals. Contrary to the above, the licensee failed to leak test three Texas Nuclear Model 5201 and 5202 gauges between June 13, 2006, and March 24, 2011, a period exceeding 3 years. As corrective action, the licensee will leak test these gauges as soon as practicable, and will track the leak tests to ensure leak tests are done at the required frequency.

Statement of Corrective Actions

I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violations identified. This statement of corrective actions is made in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken, date when full compliance will be achieved). I understand that no further written response to NRC will be required, unless specifically requested.

Title	Printed Name	Signature	Date
LICENSEE'S REPRESENTATIVE	John Spears - Prep Plant Mgr		3/24/11
NRC INSPECTOR	Geoffrey M. Warren		3/24/11
Branch Chief	Tamara E. Bloomer		4/1/11

Docket File Information
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1. LICENSEE Gibson County Coal, LLC Princeton, IN REPORT NUMBER(S) 2011-001		2. NRC/REGIONAL OFFICE U.S. Nuclear Regulatory Commission, Region III 2443 Warrenville Road, Suite 210 Lisle, Illinois 60532	
3. DOCKET NUMBER(S) 030-35481	4. LICENSEE NUMBER(S) 13-32272-01	5. DATE(S) OF INSPECTION March 24, 2011	
6. INSPECTION PROCEDURES 87124	7. INSPECTION FOCUS AREAS 03.01 – 03.07		

SUPPLEMENTAL INSPECTION INFORMATION

1. PROGRAM 03120	2. PRIORITY 5	3. LICENSEE CONTACT John Spears, Plant Manager and RSO	4. TELEPHONE NUMBER 812-386-2322
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Main Office Inspection

Next Inspection Date: March 2016

Field Office Inspection _____

Temporary Job Site Inspection _____

PROGRAM SCOPE

The licensee was a coal mining operation in Princeton, Indiana, that employed 26 personnel in the above-ground/processing area where the gauges were used. The licensee possessed an elemental analyzer and three slurry density gauges as described on the license. All service and maintenance on the gauges, including installation and removal, was performed by the manufacturer. The licensee performed inventory and shutter checks as required, and provided initial training for all personnel at the plant. The elemental analyzer was leak tested as required. The licensee had determined that no individuals required monitoring because projected doses to individuals fell below dose limits for members of the general public.

Performance Observations

The inspector toured the plant facility and observed all four gauges in conjunction with the licensee's current inventory. Interviews with licensee personnel indicated adequate knowledge of radiation safety concepts and procedures. The inspector performed independent and confirmatory radiation measurements which indicated results consistent with the licensee's survey records and postings.

One violation was cited concerning leak testing the density gauges; these gauges required leak testing every three years, but had not been leak tested since June 13, 2006. The root cause of the violation was that the licensee depended on their contractor to perform these tests, but the contractor did not track them properly.