

Raymond M. Dickes
Radiation Safety Officer
Explosives Safety Officer

Schlumberger

June 17, 2011

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DNMS

Nuclear Regulatory Commission
Region IV
612 East Lamar Boulevard
Arlington, Texas 76011-4125
Attention: Roberto Torres
Via: Email and Federal Express

RE: Your Letter Dated May 17, 2011

Dear Mr. Torres,

I'm writing in response to your letter dated May 17, 2011, which was a response to my letter, dated February 16, 2011. In my letter, I requested an amendment to Schlumberger Technology Corporation (STC) Radioactive Materials License No. 42-00090-03. The amendment request, dated February 16, 2011, was intended to serve two purposes:

1. Obtain authorization on STC's license to possess and use radioactive source models that are currently not authorized on the STC license. These source models are used by E&P Wireline LLC (E&P) and Pathfinder Energy Services LLC (Pathfinder) and STC intends to begin offering services using these source models, independent of E&P and Pathfinder. These services, when performed by STC, will be performed within all constraints, conditions, requirements and commitments of Radioactive Materials License No. 42-00090-03 issued to Schlumberger Technology Corporation; and
2. To obtain the necessary authorizations for the proposed mergers of E&P and Pathfinder into STC. This involves two mergers that will occur on separate dates.

Request for Additional Source Models

Independent of the proposed mergers of E&P and Pathfinder into STC, STC intends to begin offering services independently of E&P and Pathfinder using well logging tools and sources identical to those used by E&P and Pathfinder before the merger of either company into STC. These services, when performed by STC, will be performed within all constraints, conditions,

requirements and commitments of Radioactive Materials License No. 42-00090-03 issued to Schlumberger Technology Corporation. Thus, STC is requesting that the source models be added to our license as soon as possible to allow STC to begin offering these services.

Summary of Transactions

Independent of STC performing services using well logging tools and sources identical to those used by E&P and Pathfinder, two mergers are being proposed. These mergers will be used to bring the well logging operations of E&P, Pathfinder and STC into a single company and under one management team. Today, E&P, Pathfinder and STC all perform well logging services. Since all three companies are owned by Schlumberger Limited, the proposed transactions are intended to have all Schlumberger well logging services in the U.S. performed by a single company, in this case Schlumberger Technology Corporation.

Schlumberger Technology Corporation is owned by Schlumberger Holdings Corporation, which is a wholly-owned subsidiary of Schlumberger BV, which is a wholly-owned subsidiary of Schlumberger Limited. Both E&P Wireline LLC and Pathfinder Services LLC are owned by Smith International, which is owned by Schlumberger Holdings Corporation, which is a wholly-owned subsidiary of Schlumberger BV, which is a wholly-owned subsidiary of Schlumberger Limited. Thus all three companies have the same parent company.

Two separate transactions are planned and will occur on separate dates as follows:

1. E&P Wireline LLC will be merged with Schlumberger Technology Corporation and Schlumberger Technology Corporation will be the remaining legal entity following this merger. Following the merger, Schlumberger Technology Corporation will continue to be owned by Schlumberger Holdings Corporation, which is a wholly-owned subsidiary of Schlumberger BV, which is a wholly-owned subsidiary of Schlumberger Limited. This merger is planned to take place on September 1, 2011.
 - a. A merger of two legal entities involves the combining of all assets, properties, employees, etc. under one of the two legal entities involved in the merger. Following the merger of E&P with STC, STC will own all E&P assets, including E&P sources and STC will be the remaining legal entity with E&P no longer existing. Thus E&P's license will be terminated the day of the merger. E&P Wireline LLC will provide to the Nuclear Regulatory Commission ("NRC") prior to the date of the merger a notice requesting termination of Materials License No. 42-29370-01 on September 1, 2011;
 - b. Attached is Enclosure (1) which provides information relating to the NRC's evaluation of an indirect transfer of control, as provided in Appendix F of NUREG-1556, Vol. 15, "Consolidated Guidance About Materials Licenses: Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Material Licenses."; and

2. Pathfinder Energy Services LLC will be merged with Schlumberger Technology Corporation and Schlumberger Technology Corporation will be the remaining legal entity following this merger. Following the merger, Schlumberger Technology Corporation will continue to be owned by Schlumberger Holdings Corporation, which is a wholly-owned subsidiary of Schlumberger BV, which is a wholly-owned subsidiary of Schlumberger Limited. The exact date for this merger has not been set but this merger has been delayed and likely will take place in the second half of 2012.
 - a. Following the merger of Pathfinder with STC, STC will own all Pathfinder assets, including Pathfinder sources and STC will be the remaining legal entity with Pathfinder no longer existing. Thus Pathfinder's license will be terminated the day of the merger; and
 - b. Since the exact date of this merger is not set, information relating to the NRC's evaluation of an indirect transfer of control, as provided in Appendix F of NUREG-1556, Vol. 15, "Consolidated Guidance About Materials Licenses: Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Material Licenses." for this merger will be provided next year at least 90 days in advance of the date set for this merger.

Financial Assurance

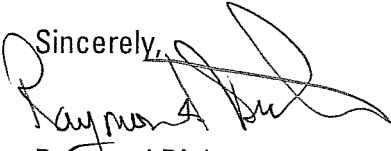
My understanding was that the Stand-by Trust Agreement and the Letter of Credit for the revised financial assurance had been completed and delivered to the NRC Region IV in February 2011. Following the receipt of your letter, I reviewed this and discovered that though both the Stand-by Trust Agreement and the Letter of Credit were completed in February, STC's bank, Societe Generale, sent the documents to NRC Headquarters in Rockville, Maryland. New originals of both documents have been prepared and were sent by Federal Express (Tracking # 797201442917) on June 14, 2011 to NRC Region IV. Federal Express shows delivery of these documents on June 15, 2011 and a copy (Enclosure 2) of the Federal Express tracking information has been attached for your use.

In summary, I request that the NRC:

1. Issue an amendment to Radioactive Materials License No. 42-00090-03 to add the source models requested in my letter dated February 16, 2011; and
2. Review the information in Enclosure (1) on the proposed merger of E&P into STC and provide their consent.

Please contact me at 281-285-8775 or dickes1@slb.com should you require additional information on this matter.

Sincerely,



Raymond Dickes

Cc: Jack Whitten

Enclosure (1): Information Supporting Request for Prior Written Consent to Merger of E&P Wireline into STC

Enclosure (2): Federal Express Tracking Information

**MERGER OF E&P WIRELINE LLC (Materials License No. 42-29370-01) INTO
SCHLUMBERGER TECHNOLOGY CORPORATION
(Materials License No. 42-00090-03)
Information Supporting Request for Consent To
Indirect Transfer of Control of a Materials License**

This information is submitted consistent with NUREG-1556, Vol. 15, Chapter 5 (November 2000), Consolidated Guidance About Materials Licenses – Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses. The information is submitted with respect to Schlumberger Technology Corporation's ("STC") request for consent to the merger of E&P Wireline LLC into STC..

1. Provide a complete description of the transaction (i.e., transfer of stocks or assets, or merger). Indicate whether the name has changed and include the new name. Include the name and telephone number of a licensee contact who NRC may contact if more information is needed.

A. Description of the transaction:

E&P Wireline LLC will be merged with Schlumberger Technology Corporation and Schlumberger Technology Corporation will be the remaining legal entity following this merger. Following the merger, Schlumberger Technology Corporation will continue to be owned by Schlumberger Holdings Corporation, which is a wholly-owned subsidiary of Schlumberger BV, which is a wholly-owned subsidiary of Schlumberger Limited. The date of this merger is September 1, 2011.

The merger will not affect the operations of STC, nor will it affect any of the terms and conditions under which it carries out licensed activities under **Materials License No. 42-00090-03**. None of the individuals with control over licensed activities for STC will change as a result of the merger. E&P Wireline LLC will cease to exist on the day of the merger and thus E&P Wireline LLC's license will be terminated that day. E&P Wireline LLC will provide to the Nuclear Regulatory Commission prior to the date of the merger a notice requesting termination of **Materials License No. 42-29370-01** on September 1, 2011.

The merger does not change the existing financial and technical qualifications of STC, and it does not involve any changes to any existing license requirements.

B. No name change

New name of licensed organization:

C. No change in contact

- New contact:
- New telephone number:
2. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel.
- A. No changes in personnel having control over licensed activities.
-
- Changes in personnel having control over licensed activities (e.g. officers of a corporation):
- B. No changes in personnel named in the license.
- Changes in personnel named in the license (e.g., RSO, AUs) - include training, experience and responsibilities:
3. Describe, in detail, any changes in the organization, location, facilities, equipment or procedures that relate to the licensed program.

- | | |
|--|--|
| <input type="checkbox"/> Organization: | <input type="checkbox"/> Equipment: |
| <input type="checkbox"/> Location: | <input type="checkbox"/> Procedures: |
| <input type="checkbox"/> Facility: | <input checked="" type="checkbox"/> Not applicable |

There will be no changes in the organization, location, facilities, equipment, or procedures that relate to any licensed program of STC. Additional authorized materials were identified in a letter dated February 16, 2011.

4. Describe the status of the surveillance program (i.e., surveys, wipe tests, quality control) at the present time and the expected status at the time that control is to be transferred.
- A. Description of the status of all surveillance programs:

The surveillance program outlined in the **Materials License No. 42-00090-03** shall remain the same as before the merger. There shall be no change in surveillance activities including calibrations, leak tests, surveys, inventories, and other accountability requirements.

B. Surveillance Items & Records: calibrations, leak tests, surveys, inventories, and accountability requirements will be current at the time of the merger.

[X] Yes [] No (explain)

- 5. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to NRC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.

Records transferred to:

[] New licensee [] NRC for license termination [X] Not applicable

Records shall remain with Schlumberger Technology Corporation (the remaining legal entity) following the merger.

- 6. Confirm that the transferee will abide by all constraints, conditions, requirements and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.

or

[] Description of proposed licensed program from transferee attached (with signature)

or

[] Not applicable (name change only)

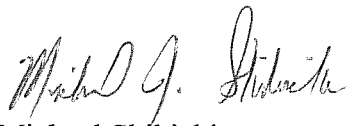
All operation will be performed under Materials License No. 42-00090-03 following the merger. STC's ownership structure will remain unchanged and all constraints, conditions, requirements and commitments of Materials License No. 42-00090-03 issued to Schlumberger Technology Corporation will continue without change.

E&P Wireline LLC will abide by all constraints, conditions, requirements and commitments of Schlumberger Technology Corporation.



Clay Bomer
President
E&P Wireline LLC
Materials License No. 42-29370-01

Date: 6/15/2001



Michael Skibicki
Vice President
Schlumberger Technology Corporation
Materials License No. 42-00090-03

Date: June 15, 2011



Detailed Results

Tracking no.: 797201442917

Select time format: 12H

Delivered

Delivered
Signed for by: P.WILLIAMS

Shipment Dates

Ship date Jun 14, 2011
Delivery date Jun 15, 2011 9:46 AM

Destination

ARLINGTON, TX
Signature Proof of Delivery

Shipment Options

Hold at FedEx Location

Hold at FedEx Location service is not available for this shipment.

Shipment Facts

Service type	Priority Envelope	Delivered to	Mailroom
Weight	0.5 lbs/2 kg	Reference	temp4

Shipment Travel History

Select time zone: Local Scan Time

All shipment travel activity is displayed in local time for the location

Date/Time	Activity	Location	Details
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Jun 15, 2011 7:45 AM	On FedEx vehicle for delivery	GRAND PRAIRIE, TX	
Jun 15, 2011 7:17 AM	At local FedEx facility	GRAND PRAIRIE, TX	
Jun 15, 2011 5:14 AM	At destination sort facility	DALLAS, TX	
Jun 15, 2011 4:03 AM	Departed FedEx location	MEMPHIS, TN	
Jun 15, 2011 1:08 AM	Arrived at FedEx location	MEMPHIS, TN	
Jun 15, 2011 12:50 AM	In transit	NEWARK, NJ	
Jun 15, 2011 12:01 AM	Departed FedEx location	NEWARK, NJ	
Jun 14, 2011 10:02 PM	Arrived at FedEx location	NEWARK, NJ	
Jun 14, 2011 9:35 PM	Left FedEx origin facility	NEW YORK, NY	
Jun 14, 2011 3:57 PM	Picked up	NEW YORK, NY	
Jun 14, 2011 8:53 AM	Shipment information sent to FedEx		

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From: (281) 285-7460
Tom Wood
Schlumberger Technology Corp.
300 Schlumberger Drive, MD-121

Origin ID: SGRA



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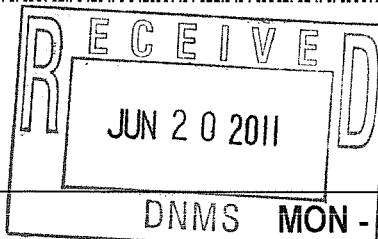
Sugar Land, TX 77478

Ship Date: 17JUN11
Act/Wgt: 1.0 LB
CAD: 100343370/INET3180

Delivery Address Bar Code



Ref #
Invoice #
PO #
Dept #



SHIP TO: (817) 860-8197

BILL SENDER

Mr. Roberto Torres
NRC - Region IV
612 E LAMAR BLVD STE 400

ARLINGTON, TX 76011

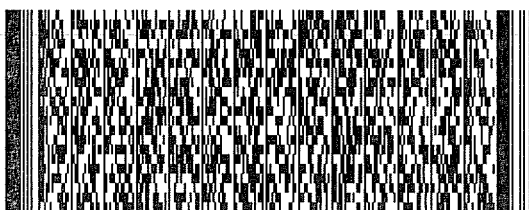
DNMS MON - 20 JUN A1
STANDARD OVERNIGHT

TRK# 7948 7823 0802

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