



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

March 10, 2016

EA-16-031

Mr. Danny Young
President and Radiation Safety Officer
Wayne County Well Surveys, Inc.
P.O. Box 421
Fairfield, IL 62837

SUBJECT: NRC SPECIAL INSPECTION REPORT NO. 15000012/2015001(DNMS)
WAYNE COUNTY WELL SURVEYS, INC.

Dear Mr. Young:

On November 4, 2015, an inspector from the U.S. Nuclear Regulatory Commission (NRC) contacted you concerning well logging activities your company had performed in the State of Indiana. The NRC performed in-office review of information you provided, through February 26, 2016, including documentation of the dates worked, your stated corrective actions, and your application for future reciprocity during Calendar Year 2015. Mr. Dennis O'Dowd of my staff conducted a final exit meeting by telephone with you and Mr. Ryan Briggs of your staff on February 26, 2016, to discuss our findings. The enclosed report presents the results of this review.

Based on the results of this review, an apparent violation was identified and is being considered for escalated enforcement action in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's website at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The apparent violation involved the licensee's apparent failure to file NRC Form 241 prior to performing well logging services using licensed materials in the State of Indiana, a non-Agreement State, for each calendar year from 2013 through 2015, as required by Title 10 of the *Code of Federal Regulations* (CFR) 150.20(b)(1).

Because the NRC has not made a final determination on this matter, the NRC is not issuing a Notice of Violation for this finding at this time. The circumstances surrounding this apparent violation, the significance of the issues, and the need for lasting and effective corrective action were discussed with you during the telephonic exit meeting on February 26, 2016.

Before the NRC makes its enforcement decision, we are providing you an opportunity to either: (1) respond in writing to the apparent violation addressed in the enclosed report within 30 days of the date of this letter; (2) request a Predecisional Enforcement Conference (PEC); or (3) provide no further response. If a PEC is held, it will be open for public observation and

the NRC will issue a press release to announce the time and date of the conference. **Please contact Aaron T. McCraw at 630-829-9650 within ten days of the date of this letter to notify the NRC of your intended response.**

If you choose to provide a written response, it should be clearly marked as "Response to the Apparent Violation in Report No. 15000012/2015001(DNMS); EA-16-031," and should include, for the apparent violation: (1) the reason for the apparent violation, or, if contested, the basis for disputing the apparent violation; (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 was or will be achieved. In presenting your corrective actions, you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the apparent violation. The guidance in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful. You can find the information notice on the NRC website at: <http://www.nrc.gov/reading-rm/doc-collections/gen-comm/info-notices/1996/in96028.html>. Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a PEC.

If you choose to request a PEC, the conference will afford you the opportunity to provide your perspective on the apparent violation and any other information that you believe the NRC should take into consideration before making an enforcement decision. The topics discussed during the conference may include the following: information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned to be taken.

Because your facility has not been the subject of escalated enforcement actions within the last two years or two inspections, a civil penalty may not be warranted in accordance with Section 2.3.4 of the Enforcement Policy. In addition, based upon NRC's understanding of the facts and your corrective actions, it may not be necessary to conduct a PEC in order to enable the NRC to make a final enforcement decision. Our final decision will be based on your confirming on the license docket that the corrective actions previously described to the staff have been or are being taken.

In addition, please be advised that the number and characterization of apparent violations described in the enclosed report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response if you choose to provide one will be available electronically for public inspection in the NRC's Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC's website 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 publicly available without redaction.

D. Young

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Please feel free to contact Dennis O'Dowd of my staff if you have any questions regarding this review. Mr. O'Dowd can be reached at 630-829-9573.

Sincerely,

/Christine Lipa Acting for/

John B. Giessner, Director
Division of Nuclear Materials Safety

Docket No. 150-00012
General License under 10 CFR 150.20
State of Illinois License No. IL-01804-01

Enclosure:
IR 15000012/2015001(DNMS)

cc w/encl: State of Illinois
State of Indiana

D. Young

-3-

Please feel free to contact Dennis O'Dowd of my staff if you have any questions regarding this inspection. Mr. O'Dowd can be reached at 630-829-9573.

Sincerely,

/Christine Lipa Acting for/

John B. Giessner, Director
Division of Nuclear Materials Safety

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Enclosure:
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cc w/encl: State of Illinois
State of Indiana

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DATE	3/8/2016		3/9/2016		3/9/2016		3/10/2016	

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U.S. Nuclear Regulatory Commission

Region III

Docket No.	150-00012
General License under	10 CFR 150.20
State of Illinois License No.	IL-01804-01
Report No.	15000012/2015001(DNMS)
EA No./NMED No.	EA-16-031
Licensee:	Wayne County Well Surveys, Inc.
Facility:	P.O. Box 421 Fairfield, Illinois 62837
Exit Meeting Date:	February 26, 2016
Inspector:	Dennis O'Dowd, Health Physicist
Approved By:	Aaron McCraw, Chief Materials Inspection Branch Division of Nuclear Materials Safety

Enclosure

EXECUTIVE SUMMARY

Wayne County Well Surveys, Inc. NRC Inspection Report 15000012/2015001(DNMS)

Wayne County Well Services, Inc. ("company") is a well logging company located in Fairfield, Illinois. State of Illinois License No. IL-01804-01 authorizes the company to use americium-241/beryllium (Am-241:Be) sealed sources for well logging operations, and iodine-131 (I-131) for tracer studies in the State of Illinois except in areas of exclusive Federal jurisdiction.

On October 16, 2015, a representative of the State of Illinois contacted the NRC's Headquarters Operations Center to notify the NRC that earlier that morning, the Radiation Safety Officer (RSO) for the company reported to the State of Illinois the loss of an Am-241:Be well logging source, which had occurred sometime between June 2, 2015, and October 15, 2015, the date on which the company realized that the source was missing (ref. Event No. 51475 and Nuclear Materials Events Database (NMED) Item No. 150570). Ensuing discussions between the NRC and the State of Illinois, followed by subsequent review by the NRC, including a telephone interview on November 4, 2015, between an NRC materials inspector and the company's president/RSO and one of its managers, indicated that the company had performed well logging activities in the State of Indiana, a non-Agreement State, during that period (and immediately after), as well as in previous years. A review of agency records indicated that the company had not filed NRC Form 241, "Report of Proposed Activities in Non-Agreement States," requesting reciprocity for the current year or previous years to authorize such use under a general license, and did not have an NRC specific license authorizing use in NRC jurisdiction.

The inspector identified an apparent violation of Title 10 of the Code of Federal Regulations (CFR) 150.20(b)(1), which requires Agreement State licensees to file an NRC Form 241 for reciprocity at least three days before working in a non-Agreement State, area of exclusive federal jurisdiction, or offshore waters, every calendar year.

As a result of the telephone conference on November 4, 2015, the company's president/RSO and the manager provided a list of dates that the company performed well logging activities in the State of Indiana. The Region III materials inspector determined that Wayne County Well Services, Inc. had performed well logging activities a total of 16 days over three calendar years, beginning on January 18, 2013, with the last occurrence on October 16, 2015, and had not filed NRC Form 241 prior to the first use of such materials in each calendar year. The root cause of the apparent violation was the company's lack of awareness that the use of licensed materials in the State of Indiana required authorization from the NRC.

As corrective action, the company's president/RSO: (1) immediately filed NRC Form 241 for Calendar Year 2015, including payment of \$1,900 (received on November 5, 2015); (2) on December 28, 2015, filed NRC Form 241 for Calendar Year 2016, including payment of \$1,900; and, (3) stated in the telephone conference on November 4, 2015, and re-stated during the exit meeting on February 26, 2016, that he now understands the rules and regulations of reciprocity with the NRC and would follow them now and in the future.

REPORT DETAILS

1 Program Overview

Wayne County Well Surveys, Inc. (company) of Fairfield, Illinois, possessed a State of Illinois license authorizing company personnel to perform oil and gas well logging services using Am-241:Be sealed sources, and tracer studies of oil and gas wells using I-131 at temporary job sites in the State of Illinois except in areas of exclusive Federal jurisdiction.

2 Use of Licensed Material in Indiana

2.1 Scope of Review

The inspector interviewed the company's president/RSO and the company's manager by telephone and reviewed documents provided by the company concerning work performed by company personnel in Indiana from 2013 through 2015.

2.2 Observations and Findings

On October 16, 2015, a representative of the State of Illinois contacted the NRC's Headquarters Operations Center to notify the NRC that earlier that morning, the RSO for the company reported to the State of Illinois the loss of an Am-241:Be well logging source, which had occurred sometime between June 2, 2015, and October 15, 2015, the date on which the company realized that the source was missing (ref. Event No. 51475 and NMED Item No. 150570). Subsequent discussions with the State of Illinois and further review by the NRC, including a telephone conference on November 4, 2015, between an NRC inspector and the company's president/RSO and the company's manager, indicated that the company conducted well logging activities in Indiana during and immediately after that period, and also in previous years. A review of agency records indicated that the company had not filed NRC Form 241 requesting reciprocity for the current year or previous years to authorize such use under a general license, and did not have an NRC specific license authorizing use in NRC jurisdiction.

As a result of the telephone conference on November 4, 2015, the company provided a list of dates worked in Indiana from January 18, 2013, through October 16, 2015, the total of which was 16 days during that period. The breakdown in days worked in Indiana by calendar year is as follows:

2013: 11 days
2014: 3 days
2015: 2 days

Title 10 of the *Code of Federal Regulations* (CFR), Section 150.20(b)(1) requires Agreement State licensees to file an NRC Form 241 for reciprocity at least three days before working in a non-Agreement State, area of exclusive federal jurisdiction, or offshore waters, every calendar year. The company's apparent failure to file NRC Form 241 prior to performing work requiring a license from 2013 through 2016 is an apparent violation of 10 CFR Section 150.20(b)(1).

The root cause of the apparent violation was the company's lack of awareness that the use of licensed materials in the State of Indiana required authorization from the NRC. During the telephone interview on November 4, 2015, the company's president/RSO stated that he had not been aware of the requirement to either file NRC Form 241, "Report of Proposed Activities in Non-Agreement States," requesting reciprocity for the current year or previous years to authorize such use under a general license, or to have an NRC specific license authorizing use in NRC jurisdiction.

As corrective action, the company's president/RSO: (1) on November 4, 2015, submitted to the NRC Region III office an NRC Form 241 and payment of \$1,900 requesting reciprocity for calendar year 2015; (2) on December 28, 2014, submitted to the NRC Region III office an NRC Form 241 and payment of \$1,900 requesting reciprocity for calendar year 2016; and, (3) stated in the telephone conference on November 4, 2015, and during the exit meeting on February 26, 2016, that he now understands the rules and regulations of reciprocity with the NRC and would follow them now and in the future.

2.3 Conclusions

The inspector identified an apparent violation of 10 CFR 150.20(b)(1) concerning the failure to file for reciprocity during calendar years 2013 through 2016 prior to performing licensed activities in the State of Indiana. The company has taken corrective action to address the apparent violation.

3 **Exit Meeting Summary**

The NRC inspector presented final review findings by telephone on February 26, 2016. Neither the president/RSO nor the company manager identified any documents or processes reviewed by the inspector as proprietary. The president/RSO and company manager acknowledged the findings presented.

LIST OF PERSONNEL CONTACTED

- # Danny Young, President and Radiation Safety Officer
- # Ryan Briggs, Manager

- # Attended exit meeting on February 26, 2016.