

**SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION**

1. LICENSEE/LOCATION INSPECTED:  DGI Geoscience, Inc. 119 Spadina Avenue, Suite 405 Toronto, ON M5V 2L1  REPORT NUMBER(S) 2016001		2. NRC/REGIONAL OFFICE  Region III U. S. Nuclear Regulatory Commission 2443 Warrenville Road, Suite 210 Lisle, IL 60532-4352	
3. DOCKET NUMBER(S)  030-38830		4. LICENSE NUMBER(S)  54-35234-01	5. DATE(S) OF INSPECTION  July 8, 2016

**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, to exercise discretion, were satisfied.

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

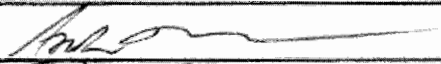

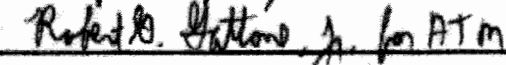
- 4. During this inspection, certain of your activities, as described below and/or attached, were in violation of NRC requirements and are being cited in accordance with NRC Enforcement Policy. This form is a NOTICE OF VIOLATION, which may be subject to posting in accordance with 10 CFR 19.11.  
(Violations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

Contrary to 10 CFR 39.33(c)(1), between July 21 and August 14, 2015, DGI Geosciences, Inc. failed to have each radiation survey instrument required under 10 CFR 39.33(a) calibrated at intervals not to exceed 6 months. Specifically, the licensee used a radiation survey instrument at a temporary job site in Big Bay, Michigan to make the radiation surveys required by 10 CFR Parts 20 and 39, but the instrument was last calibrated prior to use at this job site on October 14, 2014, an interval exceeding six months.

As corrective action, the licensee committed to revise its procedures to ensure that any radiation survey instrument used in NRC jurisdiction was calibrated within the last 6 months. The licensee shortly thereafter decided to permanently cease activities under the license and request its termination.

**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	Andrew Torresson		8/22/16
NRC INSPECTOR	Ryan Craffey, Health Physicist		7/20/16
BRANCH CHIEF	Aaron McCraw, Chief, MIB		7/28/16

**Docket File Information**  
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6. INSPECTION PROCEDURES USED  87123	7. INSPECTION FOCUS AREAS  All
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**SUPPLEMENTAL INSPECTION INFORMATION**

1. PROGRAM CODE(S)  03111	2. PRIORITY  3	3. LICENSEE CONTACT  Andrew Torgerson - RSO	4. TELEPHONE NUMBER  (705) 730-7992
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Main Office Inspection                      Next Inspection Date:                      07/08/2019

Field Office Inspection

Temporary Job Site Inspection

**PROGRAM SCOPE**

This was an announced initial inspection of a small Canadian company specializing in borehole data acquisition and analysis, authorized by a USNRC license issued on July 10, 2015 to use byproduct material for density measurements in well logging operations at the Eagle Mine in Big Bay, Michigan. At the time of this inspection, the licensee possessed gamma- and neutron-emitting sealed sources for density and porosity measurements, respectively, at its operations center in Barrie, Ontario under a license issued by the CNSC. The licensee shipped one of these gamma-emitting sources (containing 110 mCi of Cs-137) via common carrier to the Eagle Mine where two of the licensee's eight qualified individuals used the source between July 21 and August 14, 2015 in logging operations to characterize rock formations in and around the new mine. The licensee had not used licensed material in NRC jurisdiction since. On July 26, 2016, the RSO stated that the company intended to terminate this license.

**PERFORMANCE OBSERVATIONS:** The inspector interviewed the licensee's RSO, who was stationed at the operations center in Barrie, by video teleconference. The RSO provided the inspector with a tour of the operation center and demonstrated the implementation of licensee practices and procedures for source handling, transportation, and emergency response using the source and related equipment that had been used at the Eagle Mine. The inspector found that the licensee maintained adequate instrumentation, dosimetry, shielding and remote handling tools to maintain exposures ALARA, and found that the licensee's RSO was knowledgeable of radiation protection principles. The inspector also reviewed a selection of records related to the Eagle Mine project, including the licensee's written agreement with the mining company, utilization logs, survey records and shipping papers maintained on the job site; leak tests and inventory records for the source used on the project; and training and audit records for the individuals who conducted the work. The inspector also reviewed the requirements of 10 CFR 30.36(d) with the licensee's RSO.

During a review of survey meter calibration records, the inspector identified a violation of 10 CFR 39.33(c)(1). The inspector determined that the root cause was a lack of understanding of regulatory requirements; as a contributing factor, the CNSC only required survey instruments used in well logging to be calibrated annually. As corrective action, the licensee committed to revise its procedures to ensure that any radiation survey instrument used in NRC jurisdiction was calibrated within the last 6 months. The licensee shortly thereafter decided to permanently cease activities under the license and request its termination.

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