

**SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION**

<b>1. LICENSEE/LOCATION INSPECTED:</b>  Phillips 66 Company 401 South 23rd Street, Billings, Montana  <b>REPORT NO.:</b> 030-10669/2017-001	<b>2. NRC/REGIONAL OFFICE:</b>  U.S. Nuclear Regulatory Commission Region IV, 1600 East Lamar Blvd Arlington, Texas 76011-4511	
<b>3. DOCKET NUMBER</b> 030-10669	<b>4. LICENSE NUMBER</b> 25-16250-01	<b>5. DATE(S) OF INSPECTION</b> April 25, 2017

**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:



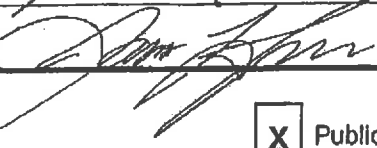
- 1. Based on the inspection findings, no violations were identified.
- 2. Previous violation(s) closed.
- 3. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy to exercise discretion, were satisfied.
- Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(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.
  - 1.) Title 10 CFR 20.1902(e) "Posting Requirements" requires, in part, that the licensee shall post each area in which there is used or stored an amount of licensed material exceeding 10 times the quantity of such material specified in appendix C to part 20 with a conspicuous sign or signs bearing the radiation symbol and the words "CAUTION, RADIOACTIVE MATERIALS."

Contrary to the above, on April 24, 2017, the licensee failed to post an area in which an amount of licensed material exceeding 10 times the quantity of such material specified in appendix C to part 20 with a conspicuous sign or signs bearing the radiation symbol and the words "CAUTION, RADIOACTIVE MATERIALS." Specifically, an area where a fixed nuclear gauge containing 100 millicuries of licensed Cesium-137 was used did not post signs bearing the radiation symbol and the words "Caution, Radioactive Materials."

(Continued on Part 2)

**Licensee's Statement of Corrective Actions for Item 4, above.**

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	Christina Evans		5/13/2017
NRC INSPECTOR	Jason Dykert		5/3/2017
BRANCH CHIEF	James L. Thomsen		5/3/2017

Non-Public   
  Sensitive - Security-Related   
  Public   
  Non-Sensitive

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CONTINUED FROM PART 1

On May 2, 2017, the licensee posted the area near the fixed nuclear gauge containing 100 millicuries of Cesium-137 with a sign bearing the radiation symbol and the words "Caution, Radioactive Materials."

- 2.) License Condition 25 of Materials License 25-16250-01 requires that each portable nuclear gauge shall have a lock or outer locked container designed to prevent unauthorized or accidental removal of the sealed source from its shielded position. The gauge or its container must be locked when in transport, storage or when not under the direct surveillance of an authorized user.

Contrary to the above, on April 24, 2017, the licensee failed to require that each portable nuclear gauge had a lock or outer locked container designed to prevent unauthorized or accidental removal of the sealed source from its shielded position. The gauge or its container was not locked when it was in storage and not under the direct surveillance of an authorized user. Specifically, when the portable nuclear gauge is placed inside of the case, there is shielding provided by the plastic block located on the inside of the case, which was not locked while the gauge was in storage and not under direct surveillance of an authorized user.

The licensee immediately locked the case and will keep the gauge case locked when it is in storage, transport, or when not under direct surveillance of an authorized user.