



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION IV
1600 E. LAMAR BLVD.
ARLINGTON, TX 76011-4511

August 21, 2017

Mr. Pete Test
Radiation Safety Officer
Nelson Engineering
P.O. Box 1599
Jackson, Wyoming 83001

SUBJECT: NRC INSPECTION REPORT 030-15260/2017-001 AND NOTICE OF VIOLATION

Dear Mr. Test:

This letter refers to the unannounced inspection conducted on June 28, 2017, at your facility in Buffalo, Wyoming. The inspection was an examination of activities conducted under your license as they relate to public health and safety, to confirm compliance with the U.S. Nuclear Regulatory Commission's (NRC) rules, regulations, and with the conditions of your license. Within these areas, the inspection consisted of a selected examination of procedures and representative records, observations of activities, and interviews with personnel. The preliminary inspection findings were discussed with you and Mr. Brent Bennett at the conclusion of the onsite portion of the inspection on June 28, 2017. A final telephonic exit briefing was conducted with you on July 20, 2017.

Based on the results of this inspection, the NRC has determined that two Severity Level IV violations of NRC requirements occurred. The violations were evaluated in accordance with the NRC Enforcement Policy, which can be found at the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violations are cited and described in the enclosed Notice of Violation (Notice). The violations involved the failure to secure a portable nuclear gauge with a minimum of two independent physical controls whenever portable nuclear gauges are not under your control and constant surveillance and the failure to implement and maintain a log book in accordance with commitments made by your renewal application dated March 30, 2015.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The guidance in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful in preparing your response. You can find the Information Notice on the NRC website at: <http://pbadupws.nrc.gov/docs/ML0612/ML061240509.pdf>. Information regarding the reason for the violations, the corrective actions taken and planned to correct the violations and prevent recurrence, and the date when full compliance will be (was) achieved should be addressed. The NRC review of your response to the Notice will also determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter, its enclosure, and your response, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not

include any personal privacy or proprietary information so that it can be made available to the Public without redaction.

Should you have any questions regarding this letter or the enclosed Notice, please contact Jason vonEhr at 817-200-1186, or the undersigned at 817-200-1455.

Sincerely,

/RA/

Vivian H. Campbell, Chief
Materials Licensing and Inspection Branch
Division of Nuclear Materials Safety

Docket: 030-15260
License: 49-19036-01

Enclosure:
Notice of Violation (Notice)

cc w/enclosure: S. Ramsay, WY DHS

NRC INSPECTION REPORT 030-15260/2017-001 DATED AUGUST 21, 2017.

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SUNSI Review

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By: **JEV**

Yes No

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NRC-002

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NOTICE OF VIOLATION

Nelson Engineering
Jackson, Wyoming

Docket No. 030-15260
License No. 49-19036-01

During an NRC inspection conducted on June 28, 2017, two violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

- A. 10 CFR 30.34(i) requires each portable nuclear gauge licensee to use a minimum of two independent physical controls that form tangible barriers to secure portable nuclear gauges from unauthorized removal, whenever nuclear gauges are not under the control and constant surveillance of the licensee.

Contrary to the above, on June 28, 2017, the licensee failed to use a minimum of two independent physical controls that form tangible barriers to secure portable nuclear gauges from unauthorized removal when the nuclear gauges were not under the control and constant surveillance of the licensee. Specifically, a portable nuclear gauge was stored in a transport container within a locked garage, and was not under the control or constant surveillance of the licensee, and thus was secured with only one independent physical control.

This is a Severity Level IV violation (Section 6.3.d.10)

- B. License Condition 21.A. of NRC License 49-19036-01, Amendment No. 11, dated October 5, 2015, requires, in part, that the licensee conducts its program in accordance with the application dated March 30, 2015.

The application, under Item No. 10 *Radiation Safety Program - Operating and Emergency Procedures*, requires that the licensee implement and maintain the operating and emergency procedures in Appendix H of NUREG-1556, Vol. 1, Rev. 1, dated November 2001, and provide copies of these procedures to all gauge users and at each job site.

Appendix H of NUREG-1556, Vol. 1, Rev. 1, dated November 2001 requires that the licensee sign out portable gauges in a log book (that remains at the storage location) including the date(s) of use, name(s) of the authorized users who will be responsible for the nuclear gauge, and the temporary job site(s) where the portable gauge will be used.

Contrary to the above, from June 13, 2013 to June 28, 2017, the licensee failed to sign out portable gauges from the Buffalo, Wyoming office in a log book including the date(s) of use, name(s) of the authorized users who will be responsible for the portable gauge, and the temporary job site(s) where the portable gauge will be used. Specifically, from June 13, 2013, when the Buffalo office was added to the license, through the date of the inspection on June 28, 2017, a utilization log with the above described information was not implemented.

This is a Severity Level IV violation (Section 6.3.d.3)

Enclosure

Pursuant to the provisions of 10 CFR 2.201, Nelson Engineering is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Regional Administrator, Region IV, 1600 E. Lamar Blvd., Arlington, Texas 76011, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include: (1) the reason for the violations, or, if contested, the basis for disputing the violation(s) or severity level; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued requiring information as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Your response will be made available electronically for public inspection in the NRC Public Document Room or in the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy or proprietary information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information).

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days of receipt.

Dated this August 21, 2017.