



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**

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

August 7, 2017

EA-17-097

Mr. Glen Stoney Johnson  
President/Owner, Radiation Safety Officer  
Coastal Wireline Services, Inc.  
d/b/a Gulf Coast Well Analysis  
3909 Halik Street  
Pearland, TX 77581

SUBJECT: NRC RECIPROCITY INSPECTION REPORT NO. 15000042/2017001(DNMS) –  
COASTAL WIRELINE SERVICES, INC. D/B/A GULF COAST WELL ANALYSIS

Dear Mr. Johnson:

On May 18, 2017, an inspector from the U.S. Nuclear Regulatory Commission (NRC) conducted a reciprocity inspection at your job site in Burns Harbor, Indiana. The purpose of the inspection was to review activities performed under your NRC license to ensure that activities were being performed in accordance with NRC requirements. The enclosed inspection report presents the results of the inspection.

During this inspection, the NRC staff examined activities conducted under your license related to public health and safety. Additionally, the staff examined your compliance with the Commission's rules and regulations as well as the conditions of your license. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

Based on the results of this inspection, one apparent violation of NRC requirements 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 concerned the failure to file for reciprocity before using byproduct material in NRC jurisdiction under the terms of an Agreement State license, as required by Title 10 of the *Code of Federal Regulations* (CFR) Section 150.20(b)(1).

Because the NRC has not made a final determination in this matter, the NRC is not issuing a Notice of Violation for this inspection finding at this time. Mr. Ryan Craffey of my staff discussed the circumstances surrounding this apparent violation, the significance of the issue, and the need for lasting and effective corrective action with you at the inspection exit meeting on July 21, 2017.

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 this inspection report within 30 days of the date of this letter; or (2) request a Predecisional Enforcement Conference (PEC).

**Please contact Mr. Aaron T. McCraw, Chief, Materials Inspection Branch, at 630-829-9650 or [aaron.mccraw@nrc.gov](mailto:aaron.mccraw@nrc.gov) 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 Inspection Report No. 15000042/2017001(DNMS); EA-17-097" 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's Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be useful in preparing your response. You can find the information notice on the NRC's 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, it 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. If a PEC is held, the NRC will issue a press release to announce the time and date of the PEC. The PEC will be open to public observation.

Because your facility has not been the subject of escalated enforcement action 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 respond in writing or conduct a PEC in order to enable the NRC to make a final enforcement decision. Our final decision will be based on the corrective actions previously described to the staff and any additional information which you may wish to provide.

Please be advised that the number and characterization of the apparent violations described in the enclosed inspection 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, will be made 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.

Please feel free to contact Mr. Craffey if you have any questions regarding this inspection. Mr. Craffey can be reached at 630-829-9655.

Sincerely,

***/RA Christine Lipa Acting for/***

John B. Giessner, Director  
Division of Nuclear Materials Safety

Docket No. 150-00042  
License No. TX-L04239

Enclosure:  
IR 15000042/2017001(DNMS)

cc w/encl: State of Indiana  
State of Texas

Letter to Glen Stoney Johnson from John Giessner dated August 7, 2017.

SUBJECT: NRC RECIPROCIY INSPECTION REPORT NO. 15000042/2017001(DNMS) – COASTAL WIRELINE SERVICES, INC. D/B/A GULF COAST WELL ANALYSIS

DISTRIBUTION w/encl:

RidsSecyMailCenter  
 OCADistribution  
 Victor McCree  
 Frederick Brown  
 Patricia Holahan  
 Francis Peduzzi  
 Juan Peralta  
 Kerstun Norman  
 Cynthia Pederson  
 James Trapp  
 Daniel Dorman  
 Catherine Haney  
 Kriss Kennedy  
 Edward Williamson  
 Mauri Lemoncelli  
 Marc Dapas  
 Daniel Collins  
 Michele Burgess  
 Robert Sun  
 Sophie Holiday  
 Vivian Campbell  
 Mark Shaffer  
 Linda Howell

Brice Bickett  
 Mark Kowal  
 Michael Hay  
 Richard Skokowski  
 Holly Harrington  
 Hubert Bell  
 Kimberly Howell  
 Meghan Blair  
 Jeremy Bowen  
 Jack Giessner  
 Christine Lipa  
 Aaron McCraw  
 MIB Inspectors  
 Allan Barker  
 Harral Logaras  
 James Lynch  
 Viktoria Mitlyng  
 Prema Chandrathil  
 Kenneth Lambert  
 Paul Pelke  
 Sarah Bakhsh  
 Laura Smith  
 RidsOemailCenter  
 OEWEB Resource

**ADAMS Accession Number: ML17219A173**

OFFICE	RIII-DNMS	RIII-DNMS	RIII-EICS	RIII-DNMS
NAME	RCraffey:ps via email	AMcCraw	RSkokowski	JGiessner CLipa for
DATE	7/31/2017	8/1/2017	8/3/2017	8/7/2017

**OFFICIAL RECORD COPY**

**U.S. Nuclear Regulatory Commission  
Region III**

Docket No. 150-00042

License No. TX-L04239

Report No. 15000042/2017001(DNMS)

EA No. EA-17-097

Licensee: Coastal Wireline Services d/b/a Gulf Coast  
Well Analysis

Facility: Temporary Job Site in Burns Harbor, Indiana

Inspection Dates: May 18, 2017

Exit Meeting Date: July 21, 2017

Inspector: Ryan Craffey, Health Physicist

Approved By: Aaron T. McCraw, Chief  
Materials Inspection Branch  
Division of Nuclear Materials Safety

Enclosure

## EXECUTIVE SUMMARY

### **Coastal Wireline Services d/b/a Gulf Coast Well Analysis NRC Inspection Report 15000042/2017001(DNMS)**

This was an unannounced special inspection involving the use of byproduct material (iodine-131) for well tracer studies. Coastal Wireline Services d/b/a Gulf Coast Well Analysis, based in Pearland, Texas, was authorized by State of Texas License No. TX-L04239 to use sealed and unsealed byproduct material for well logging and tracer studies.

On May 18, 2017, the inspector identified an apparent violation of Title 10 of the *Code of Federal Regulations* (CFR) 150.20(b)(1) involving the failure to file for reciprocity before using byproduct material in NRC jurisdiction under the terms of an Agreement State license. Specifically, while conducting a routine inspection of an NRC licensee in Burns Harbor, Indiana, the inspector identified a wireline rig on the licensee's premises, and found that Coastal Wireline Services, to whom the rig belonged, had performed tracer studies on several waste fluid disposal wells that week, and had done so in May 2016 as well, but had not requested approval from the NRC to perform this work under reciprocity in either year.

As corrective action for the apparent violation, the RSO postponed the final tracer study for the week until the company's office manager submitted the Calendar Year (CY) 2017 reciprocity request and the inspector confirmed its receipt with the NRC. The request was approved in full later that day. The licensee also submitted a retroactive request for the CY 2016 work, and committed to submit a request in future calendar years before conducting any work involving the use of radioactive materials in NRC jurisdiction.

## REPORT DETAILS

### **1 Program Overview and Inspection History**

Coastal Wireline Services (the company) was authorized by the State of Texas to possess and use sealed and unsealed sources of byproduct material for well logging and tracer operations at a facility in Pearland, Texas, and at temporary job sites within the State. The company performed several hundred tracer studies per year using iodine-131 (I-131) in liquid form, primarily in Texas and in Arkansas and Mississippi under reciprocity; it did not currently perform any work with sealed sources.

### **2 Use of Byproduct Material in NRC Jurisdiction**

#### **2.1 Inspection Scope**

The inspector toured the company's temporary job site in Burns Harbor, Indiana. The inspector interviewed the company's radiation safety officer (RSO), and the company's office manager via telephone.

#### **2.2 Observations and Findings**

During a routine inspection of ArcelorMittal Burns Harbor, LLC (an integrated steel mill with fixed gauges) in Burns Harbor, Indiana, the inspector noticed a wireline rig parked on the premises of the mill, next to the doghouse of what turned out to be a waste fluid disposal well. The crew manning the rig appeared to be in the middle of a wireline operation, so the inspector approached the crew to inquire about whether any of their work might involve radioactive material. The individual operating the wireline truck, the company's president and RSO, explained that they were performing a tracer study on this well using approximately 10 millicuries of liquid I-131 as part of its annual preventative maintenance. They had performed identical tests on two other wells in the previous two days, and had one more to complete the following day. The RSO also mentioned that this was the second year that the company had performed these tests at ArcelorMittal.

The inspector asked whether the company was performing these tracer studies under the authorization of an NRC materials license or under reciprocity using their State of Texas license, because the use of unsealed I-131 for tracer studies requires specific authorization. The RSO said neither, and explained that in April 2016, prior to conducting last year's tests, he had called someone (though he could not remember who) to inquire about the need to file for reciprocity, since he was familiar with the concept from working in Arkansas and Mississippi. The individual purportedly told the RSO that he was not required to file for reciprocity with them in order to conduct tracer studies, and so the RSO proceeded with the work at ArcelorMittal in 2016 and again in 2017.

During subsequent discussions, the office manager suggested to the inspector that the RSO may actually have called someone with the State of Indiana instead of the NRC to inquire about reciprocity, as he was familiar only with contacting state radiation control programs to request reciprocity approvals.

Title 10 CFR Section 150.20(a) provides, in part, that any person who holds a specific license from an Agreement State is granted an NRC general license to conduct

the same activity in non-Agreement States, provided that the provisions of 10 CFR 150.20(b) have been met.

Title 10 CFR 150.20(b)(1) requires, in part, that any person engaging in activities in non-Agreement States, shall, at least 3 days before engaging in each activity for the first time in a calendar year, file a submittal containing an NRC Form 241, "Report of Proposed Activities in Non-Agreement States" a copy of its Agreement State specific license, and the appropriate fee with the Regional Administrator of the U.S. Nuclear Regulatory Commission Regional Office listed on the NRC Form 241 and in appendix D to Part 20 of this chapter for the Region in which the Agreement State that issued the license is located.

Coastal Wireline's apparent failure to file this submittal before performing tracer studies in May 2016 and May 2017 at a job site in Indiana (a non-Agreement state) is an apparent violation of 10 CFR 150.20(b)(1).

The root cause of the violation appears to be a lack of understanding of regulatory requirements. As a contributing factor, these were the first and only times that Coastal Wireline Services had performed tracer studies outside the jurisdiction of an Agreement State.

As corrective action, the RSO postponed the final tracer study for the week until the company's office manager submitted the CY 2017 reciprocity request and the inspector confirmed its receipt with the NRC. The request was approved in full later that day. The licensee also submitted a retroactive request for the CY 2016 work and committed to submit a request before conducting any work in NRC jurisdiction in future calendar years.

## 2.3 Conclusions

The inspector identified an apparent violation of 10 CFR 150.20(b)(1) for the failure to file for reciprocity before using byproduct material in NRC jurisdiction under the terms of an Agreement State license.

## **3 Other Areas Inspected**

### 3.1 Inspection Scope

The inspector toured the company's temporary job site in Burns Harbor, Indiana. The inspector interviewed members of the crew and reviewed records related to the conduct of tracer studies.

### 3.2 Observations and Findings

The inspector evaluated the licensee's measures for materials security, hazard communication, and exposure control at the job site in Burns Harbor. The inspector conducted independent surveys of the job site using a ThermoFisher RadEye G survey meter (last calibrated on February 22, 2017) and found no evidence of residual contamination or exposures to members of the public in excess of regulatory limits resulting from the tracer study. The crew demonstrated the implementation of company procedures for injector loading, contamination control, spill response, area surveys, and hazardous materials transportation, and in doing so demonstrated a satisfactory understanding of radiation protection principles and regulatory requirements.



The inspector also reviewed a selection of documentation available on the job site, including a copy of the company's State of Texas materials license, survey forms for the week's work, survey meter calibration documentation, and shipping papers.

### 3.3 Conclusions

The inspector had no findings in these other areas.

## 4 **Exit Meeting Summary**

The NRC inspector presented preliminary inspection findings following the onsite inspection on July 21, 2017. The licensee did not identify any documents or processes reviewed by the inspectors as proprietary. The licensee acknowledged the findings presented.

### **LIST OF PERSONNEL CONTACTED**

- Marco Chaves – Logging Engineer
- Ginnetta Coker – Office Manager
- # Glen “Stoney” Johnson – President, RSO
- Jeff Johnson – Technician
  
- # Attended exit meeting on July 21, 2017

### **INSPECTION PROCEDURES USED**

87123: Well Logging Programs