



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352
September 14, 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 Road
Pearland, TX 77581

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

Dear Mr. Johnson:

This letter refers to the U.S. Nuclear Regulatory Commission (NRC) reciprocity inspection conducted on May 18, 2017, at your temporary job site in Burns Harbor, Indiana. The purpose of the inspection was to ensure that activities were being performed in accordance with NRC requirements. During the inspection, an apparent violation of NRC requirements was identified. The circumstances surrounding this apparent violation, the significance of the issue, and the need for lasting and effective corrective actions were discussed with you during an exit meeting on July 21, 2017. Details regarding the apparent violation were provided in NRC Inspection Report 15000042/2017001(DNMS), dated August 7, 2017. The inspection report can be found in the NRC's Agencywide Documents Access and Management System (ADAMS), at Accession Number ML17219A173. ADAMS is accessible from the NRC's website at <http://www.nrc.gov/reading-rm/adams.html>.

In the letter transmitting the inspection report, we provided you with the opportunity to address the apparent violation identified in the report by either attending a predecisional enforcement conference or by providing a written response before we made our final enforcement decision. In a letter, dated August 28, 2017, you provided a response to the apparent violation. This letter is available in ADAMS under ML17244A825.

Based on the information developed during the inspection as well as the information you provided in your response, dated August 28, 2017, the NRC has determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it were described in detail in the subject inspection report. The violation involved the failure to file for reciprocity prior to using byproduct material in NRC jurisdiction under the terms of an Agreement State license in May 2016 and May 2017. Specifically, Coastal Wireline Services, Inc. d/b/a Gulf Coast Well Analysis, used iodine-131 in Indiana, a non-Agreement State, without submitting an NRC Form-241 with the NRC in either year.

The root cause of the violation was a lack of understanding of the regulatory requirements. In addition, these were the first and only times that Coastal Wireline Services had performed tracer studies outside the jurisdiction of an Agreement State. The failure to submit an initial NRC Form 241 as required by Title 10 of the *Code of Federal Regulations* (CFR), Section 150.20 is of significance because the failure to file for reciprocity prevents the NRC from inspecting these

activities and ensuring that licensed material is being used safely and in accordance with NRC requirements. Nonetheless, during a routine inspection of another licensee, the inspector recognized that Coastal Wireline Services was performing work in NRC jurisdiction and identified the apparent violation. Therefore, this violation has been categorized, in accordance with the NRC Enforcement Policy, at Severity Level III. In accordance with the NRC Enforcement Policy, a base civil penalty in the amount of \$7,000 is considered for a Severity Level III violation.

Because your facility has not been the subject of escalated enforcement actions within the last two years, the NRC considered whether credit was warranted for *Corrective Action* in accordance with the civil penalty assessment process in Section 2.3.4 of the Enforcement Policy. Specifically, immediate corrective actions included the Radiation Safety Officer postponing the final tracer study until the company's office manager submitted the calendar year (CY) 2017 reciprocity request and the NRC inspector confirmed its receipt with NRC Region IV. On June 2, 2017, you submitted a retroactive request for the CY 2016 work, the required fees for 2016 and 2017 were subsequently paid, and you committed to submit a request in future calendar years before conducting any work in NRC jurisdiction. In addition, your procedures were updated to include paying reciprocity fees and notifying applicable agencies of any planned reciprocity work.

Therefore, to encourage prompt and comprehensive correction of violations, and in recognition of the absence of previous escalated enforcement action, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty in this case. However, significant violations in the future could result in a civil penalty. In addition, issuance of this Severity Level III violation constitutes escalated enforcement action that may subject you to increased inspection effort.

The NRC has concluded that information regarding: (1) the reason for the violation(s); (2) the corrective actions that have been taken and the results achieved; and (3) the date when full compliance was achieved is already adequately addressed on the docket in Inspection Report No. 15000042/2017001(DNMS), in your response, dated August 28, 2017, and in this letter. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

G. Johnson

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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 made available electronically for public inspection in the NRC Public Document Room and in the NRC's ADAMS. The NRC also includes significant enforcement actions on its Web site at (<http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/>).

Sincerely,

/RA/

Cynthia D. Pederson
Regional Administrator

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

Enclosure:
Notice of Violation

cc w/encl: State of Indiana
State of Texas

Letter to Glen Stoney Johnson from Cynthia D. Pederson dated September 14, 2017

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

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NOTICE OF VIOLATION

Coastal Wireline Services, Inc.
d/b/a Gulf Coast Well Analysis
Pearland, TX

Docket No. 150-00042
License No. TX-L04239
EA-17-097

During a U.S. Nuclear Regulatory Commission (NRC) inspection conducted on May 18, 2017, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

Title 10 of the *Code of Federal Regulations* (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, areas of exclusive Federal jurisdiction within Agreement States, and in offshore waters, 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, areas of exclusive Federal jurisdiction within Agreement States, and in offshore waters, shall, at least 3 days before engaging in each such activity, file a submittal containing an NRC Form-241, "Report of Proposed Activities in Non-Agreement States," with the Regional Administrator of the appropriate NRC regional office.

Contrary to the above, between May 16 and 20, 2017, and on approximately the same dates in May 2016, Coastal Wireline Services, Inc. d/b/a Gulf Coast Well Analysis, a licensee of the State of Texas (an Agreement State), used iodine-131 in Burns Harbor, Indiana (non-Agreement State), without filing a Form-241 with the Regional Administrator of the appropriate NRC regional office in either year.

This is a Severity Level III violation (Section 6.9)

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved, is already adequately addressed on the docket in Inspection Report No. 15000042/2017001(DNMS) dated August 7, 2017; in your response, dated August 28, 2017; and in the letter transmitting this Notice of Violation (Notice). However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation, EA-17-097," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator, Region III, Suite 210, 2443 Warrenville Rd, Lisle IL, within 30 days of the date of the letter transmitting this Notice.

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.

If you choose to respond, 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

Enclosure

<http://www.nrc.gov/reading-rm/adams.html>. Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

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

Dated this 14th day of September 2017.