

DEC 14 1989

In Reply Refer To:
License: 35-23200-01
Docket: 30-28926/89-01

Perforating Guns, Inc.
ATTN: Gerold Allen
Vice President
207 South Locust
Nowata, Oklahoma 74048

Gentlemen:

This refers to the routine, unannounced radiation safety inspection conducted by Ms. L. L. Kasner of this office on November 1, 2, and 8, 1989, of the activities authorized by NRC Byproduct Material License 35-23200-01, and to the discussion of our findings held by the inspector with members of your staff at the conclusion of the inspection. The enclosed NRC Inspection Report 30-28926/89-01 documents this inspection.

The inspection was an examination of the activities conducted under the license as they relate to radiation safety and to compliance with the Commission's rules and regulations and the conditions of the license. The inspection consisted of selective examinations of procedures and representative records, interviews of personnel, independent measurements, and observations by the inspector.

Our review of your program revealed a lack of attention to the requirements and conditions of the NRC license. We are concerned that you continued to conduct licensed activities in the absence of basic radiation safety program requirements such as radiation survey instruments, personnel monitoring, and sealed source leak testing. The number of failures to satisfy NRC requirements represent a breakdown in the control of licensed activities.

The inspector also reviewed the actions you had taken with respect to four violations observed during the previous inspection conducted on April 16, 1986. She observed that no action had been taken to correct these violations and noted that the same violations were identified during this inspection. The failure to implement any corrective action in response to violations or items of noncompliance identified during an NRC inspection raises questions regarding responsible management of your radiation safety program. This is further aggravated by the fact that your Radiation Protection Officer (RPO) signed a formal commitment at the conclusion of the previous inspection to correct these violations within 30 days from the date of the inspection.

*RIV:NMIS	C:NMIS	*EO	D:QRSS
LLKasner:nh	CLCain	GFSanborn	WABBeach
/ /89	12/11/89	/ /89	12/13/89

*Previously Concurred

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35-23200-01 PDC

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This letter also confirms the November 16, 1989, telephone conversation between you and Mr. Charles L. Cain of our office regarding the findings of this inspection and the conduct of licensed activities under this license. Based on this conversation, it is our understanding that Perforating Guns, Inc., does not currently possess or own any licensed material as a result of the recent transfer of a 3-curie americium-241 sealed source (Gulf Nuclear Model 71-1, Serial No. 259G) to another NRC licensee. We also understand that Perforating Guns, Inc., will not receive or possess any licensed material unless NRC concurs.

As Mr. Cain discussed with you on November 16, inspection findings of this nature normally result in an enforcement conference and consideration of enforcement action such as a monetary civil penalty or an order suspending licensed activities. We do not plan to initiate that process in this case, however, due to your stated intention of terminating your NRC license and our receipt of your November 16, 1989, letter requesting license termination. Thus, no response to the enclosed Notice of Violation is required. However, these inspection findings will be taken into consideration should you or others responsible for the licensed activities conducted by Perforating Guns, Inc., apply for or be named on another NRC license. We will correspond separately regarding the termination of NRC Materials License 35-23200-01.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and its enclosures will be placed in the NRC Public Document Room. Should you have any questions regarding this letter, we will be pleased to discuss them with you.

Sincerely,

Original Signed By:

A. B. BEACH

A. Bill Beach, Director
Division of Radiation Safety
and Safeguards

Enclosures:

1. Appendix A - Notice of Violation
2. Appendix B - NRC Inspection Report
30-28926/89-01

cc w/enclosures:
Oklahoma Radiation Control Program Director

bcc: (see next page)

Perforating Guns, Inc.

-3-

bcc:

DMB - Original (IE-07)

RDMartin

ABBeach

LAYandell

LShea, RM/ALF (AR-2015)

JLieberman, OE

*LLKasner

*GFSanb.

*La

*RoEve

*LPM

*R

*R operator

*RHF, URFO

*766