

APPENDIX A

NOTICE OF VIOLATION

Perforating Guns, Inc.
Nowata, Oklahoma

Docket: 30-28926/89-01
License: 35-23200-01

During an NRC inspection conducted on November 1, 2, and 8, 1989, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1989) (Enforcement Policy), the violations are listed below:

1. License Condition 16 requires, in part, that licensed material be possessed and used in accordance with statements, representations, and procedures contained in an application dated October 9, 1985, and letters dated October 12, 1985, and January 28, 1987.

Item 7A of this application designates a specific individual as Radiation Protection Officer (RPO), whose duties include management and administration of the radiation safety program and responsibility for records and required surveys.

Contrary to the above, the inspector determined that the individual designated as RPO had terminated his employment with the licensee in March 1988. As of the date of the inspection, another individual had not been designated or approved as RPO. The licensee had continued to conduct licensed activities in the absence of an authorized RPO to manage the radiation safety program.

This is a Severity Level IV violation. (Supplement VI)

2. 10 CFR 39.33(a) requires, in part, that the licensee shall keep a calibrated and operable survey instrument at each field station and temporary job site to perform surveys as required by this section and Part 20. Section 39.33(c) requires that each survey instrument be calibrated at intervals not to exceed 6 months.

Contrary to the above, the inspector determined that the licensee's Ludlum Model 2 survey meter (Serial No. 9450) had been used several times during the period from October 1988 through February 1989 when last calibrated on April 4, 1988. Additionally, the instrument had been removed from the field station in February 1989 and the licensee continued to conduct well logging activities without use of a survey meter until October 1989.

This is a Severity Level IV violation. (Supplement VI)

3. License Condition 12.A requires, in part, that sealed sources be tested for leakage at intervals not to exceed 6 months.

Contrary to the above, the inspector determined that the licensee's 3-curie americium-241 sealed source (Gulf Nuclear Model NEEI-71-1, Serial

8912210231 891214
REG4 LIC30
35-23200-01 FDC

No. 259G) had not been leak tested since December 9, 1987. The licensee had used the source in performing well logging services several times during the period from December 1987 until October 1989.

This is a Severity Level IV violation (Supplement VI)

4. License Condition 14 requires that the licensee shall conduct physical inventories of sealed sources every 6 months and that records of inventories shall be maintained for a period of 2 years.

Contrary to the above, the inspector determined that physical inventories of sealed sources had not been performed during the period from the date of the previous inspection in April 1986 until the date of this inspection.

This is a Severity Level IV violation. (Supplement VI)

5. 10 CFR 39.39 requires, in part, that the licensee shall maintain records for each use of licensed material showing the description of each sealed source used, the identity of the logging supervisor, and the date and location of use. These records must be maintained for a period of 3 years from the date of the recorded event.

Contrary to the above, the inspector determined that although the licensee had used licensed material in conducting well logging activities several times during the period from October 1986 through October 1989, records of such use had not been maintained.

This is a Severity Level V violation. (Supplement VI)

6. 10 CFR 39.65(a) and (c) require that the licensee may not permit an individual to act as logging supervisor unless the individual wears, at all times during the handling of licensed radioactive materials, either a film badge or a thermoluminescent dosimeter (TLD). Each must be promptly processed following replacement at monthly or quarterly intervals and records of the results must be maintained.

Contrary to the above, the inspector determined that records of monthly film badge analysis for the period from March 24, 1988, through May 1989 had not been maintained. Further, the licensee's film badge service was terminated in May 1989 although logging personnel continued to use sealed sources while conducting licensed activities until October 1989.

This is a Severity Level IV violation. (Supplement VI)

7. 10 CFR 39.65(b) through (d) require, in part, that the licensee shall conduct radiation surveys of (1) the vehicle used to transport licensed material prior to transportation, (2) the logging tool if the sealed source is removed prior to departure from a temporary job site, and (3) the well area and equipment if the licensee has reason to believe that the source encapsulation was damaged during a logging operation.

Section 39.65(f) requires that records of such surveys be made and shall be maintained for a period of 3 years from the date they were made.

Contrary to the above, the inspector determined that records of radiation surveys related to transportation and use of sealed sources in well logging, for the period from April 1986 through February 1989, had not been maintained. Additionally, the radiation surveys were not performed during the period from February through October 1989, although the licensee had continued to transport and use sealed sources while performing well logging activities.

This is a Severity Level IV violation. (Supplement VI)

8. 10 CFR 30.51(a) requires that each licensee keep records showing the receipt, transfer, export, and disposal of licensed material.

Contrary to the above, as of the date of this inspection, a record documenting the receipt of a 3-curie americium-241 sealed source (Gulf Nuclear Model NEEI-71-1, Serial No. 259G) had not been kept and a record of the transfer of this source on October 18, 1989, had not been made.

This is a Severity Level V violation. (Supplement VI)

9. 10 CFR 39.13(d) requires that each licensee shall establish a program for annual inspections of well loggers' job performance and that records of such inspections must be retained for a period of 3 years following the inspection.

Contrary to the above, the inspector determined that annual inspections of a well logger had not been performed during the period from April 1986 through March 1988, during which the RPO was employed by the licensee and supervising the individual. (After March 1988, there was only one individual performing logging activities.)

This is a Severity Level IV violation. (Supplement VI)

10. 10 CFR 19.11 requires, in part, that each licensee shall post current copies of the following documents: (1) 10 CFR Parts 19 and 20; (2) the license, license conditions, and documents incorporated into the license by reference; (3) the operating procedures; and (4) Form NRC-3. Alternatively, if the posting of any of the aforementioned procedure or license documents is not practicable, the licensee may post a notice indicating where these documents may be examined.

Contrary to the above, the inspector observed that the licensee had failed to post a Form NRC-3, required license and procedure documents, and applicable regulations. Additionally, the licensee could not locate the subject documents on the date of this inspection.

This is a Severity Level V violation. (Supplement VI)

11. 10 CFR 71.5(a) requires that licensees who transport licensed material outside the confines of their plants or deliver licensed material to a carrier for transport comply with the applicable requirements of the regulations appropriate to the mode of transport of the Department of Transportation (DOT) in 49 CFR Parts 170-189.

- a. 49 CFR 172.403 requires that each package of radioactive material, unless excepted from labeling by § 173.421 or 173.422, be labeled, as appropriate, with a RADIOACTIVE WHITE I, a RADIOACTIVE YELLOW II, or a RADIOACTIVE YELLOW III label. To satisfy this requirement, the labels must be affixed to opposing sides of the package and must contain the name of the radionuclide, the activity content of the package, and the transportation index assigned to the package.

Contrary to the above, the inspector determined that the licensee had transported licensed material from their field office to another facility in October 1989 in a package that was not appropriately labeled. The package bore a single label which did not contain the radiation category or required content information.

This is a Severity Level IV violation. (Supplement V)

- b. 49 CFR 173.476(a) requires, in part, that each shipper of special form radioactive materials shall maintain on file for at least 1 year after the last shipment, a complete safety analysis demonstrating that the special form material meets the requirements of 173.469 or an IAEA Certificate of Competent Authority issued for the specific material.

Contrary to the above, as of the date of this inspection, the licensee had not maintained a copy of a safety analysis or IAEA Certificate of Competent Authority for a 3-curie americium-241 sealed source (Gulf Nuclear Model 71-1, Serial No. 259G) which was last transported in October 1989.

This is a Severity Level IV violation. (Supplement V)

- c. 49 CFR 173.415 requires, in part, that each shipper of a Department of Transportation (DOT) Specification 7A Type A package maintain performance test records demonstrating that the package meets Specification 7A on file for at least 1 year after the last shipment.

Contrary to the above, the licensee had not maintained performance test records for a DOT 7A Type A package last transported in October 1989.

This is a Severity Level IV violation. (Supplement V)

Pursuant to the transfer of all licensed material and the request dated November 16, 1989, to terminate Perforating Guns, Inc., NRC Materials License 35-23200-01, no reply to these violations is required.

Dated at Arlington, Texas,
this 14th day of December 1989