

APPENDIX

NOTICE OF VIOLATION

The Rosel Company
Liberal, Kansas

Docket: 30-17220/90-01
License: 15-10819-03

During an NRC inspection conducted on March 22, 1990, 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. 10 CFR 20.201(b) requires that each licensee make or cause to be made such surveys as (1) may be necessary for the licensee to comply with the regulations in 10 CFR Part 20 and (2) are reasonable under the circumstances to evaluate the extent of radiation hazards that may be present. As defined in 10 CFR 20.201(a), "survey" means an evaluation of the radiation hazards incident to the production, use, release, disposal, or presence of radioactive materials or other sources of radiation under a specific set of conditions.

Contrary to the above, when whole body radiation monitoring badges assigned to and worn by well logging personnel were damaged or were not returned for processing for certain individuals during the months of May, June, July, and September 1989, the licensee failed to evaluate occupational radiation exposures for these individuals to ensure that quarterly occupational exposure limits had been maintained as required by 10 CFR 20.101.

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

2. 10 CFR 39.61(a)(3) requires, in part, that a licensee may not permit an individual to act as a logging supervisor until that person has demonstrated competence in the use of licensed materials, remote handling tools, and radiation survey instruments by a field evaluation.

Contrary to the above, from June 1989 to March 1990, the licensee permitted an individual to act as a logging supervisor without having the individual demonstrate competence in the use of licensed materials, remote handling tools, and radiation survey instruments by field evaluation.

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

3. 10 CFR 39.31(a)(1) requires, in part, that a licensee may not use a source holder that contains licensed material unless the smallest component that is transported bears a durable, legible, and clearly visible marking or label. The marking or label must contain the radiation symbol specified in § 20.203 and the wording "DANGER (or CAUTION) RADIOACTIVE MATERIAL."

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Contrary to the above, from December 1988 to March 1990, the licensee had used source holders which did not bear the required marking or label to transport americium-241 sealed sources to temporary jobsites.

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

4. 10 CFR 39.37 requires, in part, that each licensee shall conduct a semiannual physical inventory to account for all licensed material received and possessed under the license. The inventory must indicate among other items, the location of the licensed material and the name of the individual conducting the inventory.

Contrary to the above, records of physical inventories of licensed material conducted between December 1988 and March 1990 did not contain the location of the licensed material and the name of the individual conducting the inventory.

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

5. License Condition 15 requires, in part, that licensed material be possessed and used in accordance with statements, procedures, and representations contained in applications dated February 11 and May 25, 1988, and letter dated December 28, 1988.
 - a. Item 9 of the letter specifies, in part, that an annual inspection program will be implemented that will include, among other items, a [performance] review of each logging supervisor.

Contrary to the above, the licensee had failed to conduct annual inspections that included [performance] reviews of four individuals designated as logging supervisors during calendar year 1989.

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

- b. Item 11(m) of the letter specifies, in part, that records of all [incoming] package surveys will be maintained for 3 years.

Contrary to the above, as of the date of the inspection, the licensee had failed to maintain records of [incoming] package surveys conducted from December 1988 to March 1990.

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

6. 10 CFR 71.5(a) requires that shipments of licensed radioactive materials shall comply with applicable regulations of the Department of Transportation in 49 CFR 170 through 189.

49 CFR 173.476(a) requires, in part, that each shipper of special form radioactive materials maintain on file for at least 1 year after the latest shipment a complete safety analysis demonstrating that the special

form material meets the requirements of 49 CFR 173.469, "Tests for Special Form Radioactive Materials."

Contrary to the above, as of March 22, 1990, the licensee had not maintained a record of the above described safety analysis for special form americium-241 sources (GN Model-NEEI-AmBe-71-1) which had been shipped from March 1989 to March 1990.

This is a repeat violation.

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

Pursuant to the provisions of 10 CFR 2.201, The Rosel Company is hereby required to submit to this office, within 30 days of the date of the letter transmitting this Notice, a written statement or explanation in reply, including for each violation: (1) the reason for the violation if admitted, (2) the corrective steps which have been taken and the results achieved, (3) the corrective steps which will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Where good cause is shown, consideration will be given to extending the response time.

Dated at Arlington, Texas,
this 13th day of April 1990