



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION IV
1600 EAST LAMAR BOULEVARD
ARLINGTON, TEXAS 76011-4511

February 26, 2020

Mr. Dave Olson
Radiation Safety Officer
Contura Coal West, LLC
2273 Bishop Road
Gillette, WY 82713

SUBJECT: CONTURA COAL WEST, LLC, FORMERLY KNOWN AS BLACKJEWEL, LLC,
NRC INSPECTION REPORT 030-32949/2019-001

Dear Mr. Olson:

This letter refers to the inspection conducted on July 8, 2019, at your Eagle Butte and Belle Ayr mines located in Campbell County near Gillette, Wyoming. This inspection was conducted at the mine sites in response to the declaration of bankruptcy to account for the radioactive materials licensed under the Nuclear Regulatory Commission's (NRC) License 49-26963-03. The purpose of this inspection was to ensure public health and safety, and to confirm compliance with the Commission's rules and regulations. Within these areas, the inspection consisted of accounting for the radioactive materials onsite and ensuring the security commitments were being met.

A preliminary exit was conducted with you at the end of the onsite portion of the inspection on July 8, 2019. No violations were identified and a response to this letter is not required. A final exit was conducted via telephone on February 10, 2020.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice, and Procedure" a copy of this letter, its enclosure, and your response, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response, if you choose to provide one, should not include any personal privacy or proprietary, information so that it can be made available to the Public without redaction.

Dave Olson

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Should you have any questions concerning this inspection, please contact Ms. Martha Poston-Brown, Health Physicist at 817-200-1181 or the undersigned at 817-200-1455.

Sincerely,

/RA/

Patricia A. Silva, Chief
Materials Inspection Branch
Division of Nuclear Materials Safety

Docket No.: 030-32949
License No.: 49-26963-03

Enclosure:
NRC Inspection Report 030-32949/2019-001

CONTURA COAL WEST, LLC FORMERLY KNOWN AS BLACKJEWEL, LLC NRC
INSPECTION REPORT 030-32949/2019-001 – DATED FEBRUARY ____, 2020

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ADAMS ACCESSION NUMBER: **ML20036D952**

SUNSI Review: ADAMS: Non-Publicly Available Non-Sensitive Keyword:
By: Yes No Publicly Available Sensitive

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**U. S. NUCLEAR REGULATORY COMMISSION
REGION IV**

Docket No.: 030-32949
License No.: 49-26963-03
Report No.: 030-32949/2019-001
Licensee: Contura Coal West, LLC formerly
known as Blackjewel, LLC
Facilities: Eagle Butte Mine and
Belle Ayr Mine
Location: Gillette, Wyoming
Campbell County
Onsite Dates: July 8, 2019
Inspector: Marti Poston-Brown, Health Physicist
Materials Licensing and Decommissioning Branch
Approved: Patricia A. Silva, Chief
Materials Inspection Branch

Enclosure

EXECUTIVE SUMMARY

Contura Coal West, LLC formerly known as Blackjewel, LLC
NRC Inspection Report 030-32949/2019-001

This inspection was a reactive, announced inspection of activities being conducted at the Contura Coal West, LLC formerly known as Blackjewel, LLC's Eagle Butte and Belle Ayr mines in Campbell County near Gillette, Wyoming on July 8, 2019. The licensee declared bankruptcy and dismissed all employees from both facilities. The Nuclear Regulatory Commission (NRC) was notified of the bankruptcy and employee dismissal by the radiation safety officer. Based on the results of this inspection, no violations were identified. The licensee submitted a change of control request to the NRC on July 30, 2019. A license amendment was issued August 6, 2019, transferring the radioactive material license to Contura Coal West, LLC.

Inspection of Materials Licensee Involved in an Incident or Bankruptcy Filing

The licensee laid off all employees, but due to security commitments made in the license application to the NRC, a skeleton crew of staff to provide security and other limited work, such as maintenance and safety inspection, was approved by the bankruptcy court and was in place at the time of the inspection. (Section 1.3)

Fixed and Portable Gauge Programs

The licensee had postings, labels and a procedure that provided a level of radiation protection appropriate for the hazards and adequate to ensure the health and safety of workers and the public. (Section 2.3)

REPORT DETAILS

Site Status

On July 1, 2019, the radiation safety officer (RSO) for Blackjewel, LLC contacted the NRC Operations Officer and indicated that Blackjewel, LLC (NRC License 49-26963-03; Docket 030-32949) had declared bankruptcy.

Region IV, Division of Nuclear Materials Safety (DNMS) staff reached out to the licensee's RSO to clarify statements made regarding the security of the gauges at the two mines in Campbell County near Gillette, Wyoming. The RSO indicated that the mines (Belle Ayr and Eagle Butte) were closed and locked down and all personnel were told to leave the site by the mine owners. The Campbell County Sheriff's Department placed officers on site since the security guards were also sent home when the mines closed.

A Region IV DNMS inspector was scheduled to conduct a series of inspections in Wyoming the week of July 8-12, 2019. This inspection was added to the inspection trip and conducted with the support of the State of Wyoming's Radiation Control Branch, Department Manager, on July 8, 2019.

The licensee submitted a change of control request to the NRC on July 30, 2019. A license amendment was issued August 6, 2019, transferring the radioactive material license to Contura Coal West, LLC.

1 Inspection of Materials Licensee involved in an incident or bankruptcy filing (Inspection Procedure 87103)

1.1 Inspection Scope

Ensure the licensee has established a program that includes appropriate safety and security is in place for the fixed gauges under the NRC license while the licensee moves forward with bankruptcy proceedings.

1.2 Observations and Findings

a. Site Tour

A physical walkdown of the site to locate all the gauges in the licensee's possession was performed by a group of individuals responding to the event report. This group of individuals included the site manager, the RSO, two mine safety inspectors from the State of Wyoming's Mine Safety Office, the radiation safety program manager from the State of Wyoming's Bureau of Radiation Control, and the NRC Inspector. This walkdown was conducted at both the Belle Ayr and Eagle Butte mine sites.

The Belle Ayr site had two Thermo Fisher Model 5207 gauges (Serial Nos. B455 and B456). Each gauge contains a Cesium-137 sealed source with a maximum activity of 2000 millicuries (mCi). These two gauges are in place to monitor hopper levels in Hoppers A and B, and are accessible from outside the hopper building. Dose rates measured adjacent to the gauges at Belle Ayr were a maximum 1.63 microrem/hr. [Pictures 1) approaching Hopper Building, and 2) showing how the gauges were accessible from outside the building].

The Eagle Butte mine had four Thermo Fisher Model 5202 gauges (Serial Nos. B3453, B3454, B3455 and B3456). Each gauge contained a Cesium-137 sealed source with a maximum activity of 500 mCi. These gauges were in place to monitor hopper levels in Hoppers 1 thru 4 and were accessible via a ladder from inside the hopper building. [Pictures 3) Posting in Hopper Building, and 4) Gauge and ladder for Hopper 3]

The Eagle Butte mine also possessed a Sabia Model X1 Materials Analyzer in the processing building. This device contained four Californium-252 sealed sources with a maximum activity of 27 mCi per source. [Picture 6) Sabia unit in Processing Building]

All gauges were secured in their locations and in use at the time of the tour. Postings and labelling were determined by the NRC inspector to be appropriate for the conditions associated with each gauge.

1.3 Conclusions

The licensee laid off all employees, but due to security commitments made in the license application to the NRC, a skeleton crew of staff to provide security and other limited work, such as maintenance and safety inspection, was approved by the bankruptcy court and was in place at the time of the inspection.

2 Fixed and Portable Gauge Programs (Inspection Procedure 87124)

2.1 Inspection Scope

Determine whether licensed activities are being conducted in a manner that will protect the health and safety of workers and the general public.

2.2 Observations and Findings

The licensee conducted a safety briefing and distributed appropriate personnel protective equipment for the mine environment. The inspector accompanied the RSO to the Belle Ayr mine to see the two fixed gauges at that site. These two gauges were on the exterior of the hopper towards the back of the facility. The area was well travelled, and while the inspector was inspecting the gauges, several trucks came into or exited the area. The gauges are mounted to the wall of the hopper and are appropriately labelled. These are the only gauges at Belle Ayr.

The inspector and RSO then returned to the Eagle Butte mine and entered the hopper building to see the gauges on the hoppers. These gauges were posted on the sides of tanks and accessible by ladder. There were four gauges in the hopper building at the Eagle Butte mine. Each of these gauges were appropriately labelled and fixed in place with a locking mechanism. The inspector and RSO then exited the hopper building and walked across the site to the processing building.

The Sabia unit (Model X1) was located on the eighth floor. The gauges were internal to the Sabia unit, the inspector observed that the Sabia unit was appropriately labelled and access to the internal of the unit were secured with a locking mechanism. Radiation dose rate measurements were taken with a Thermo Radeye G-Gamma Survey Meter (Serial No. 086960 Calibration due date April 20, 2020). The postings found on, near, or

adjacent to the gauges at both mine sites were appropriate for the radiation levels measured.

Both sites had a skeleton crew onsite and were continuing to move and process coal on a limited basis. Both sites are surrounded by fences and the only access points (by car) were controlled by staff at a guard shack with a gate arm closure. Security staff is not armed and had been instructed to call the police if someone breached the gate arm.

All gauges were in the “on” position and in use. The licensee indicated that they have a lock-out/tag-out procedure that includes the gauges being placed into the “off” position. The inspector reviewed the lock-out/tag-out procedure, and although it was not specific to the gauges, it would allow for appropriate lockout of the gauges when followed.

2.3 Conclusions

The inspector determined that the licensee had postings, labels, and a procedure that provided a level of radiation protection appropriate for the hazards and adequate to ensure the health and safety of workers and the public.

3 Exit Meeting Summary

The inspector presented the preliminary inspection results to the licensee onsite on July 8, 2019. A final exit briefing was conducted February 10, 2020, via telephone. During the inspection, the licensee did not identify any information received by the inspector as proprietary.

ATTACHMENT

PARTIAL LIST OF PERSONS CONTACTED

State of Wyoming, Bureau of Land Management, Department of Environmental Quality

R. Schierman, Uranium Recovery Program Manager, WYDEQ
D. Olson, Radiation Safety Officer, Blackjewel, LLC
D. Dorn, Deputy Mine Inspector, Office of State Mine Inspections, WYDWS
D. Bailey, Deputy Mine Inspector, Office of State Mine Inspections, WYDMS

ITEMS OPENED, CLOSED OR DISCUSSED

Open

None

Closed

None

Discussed

None

INSPECTION PROCEDURES USED

IP 87103	Inspection of Materials Licensees involved in an incident or bankruptcy filing
IP 87124	Fixed and Portable Gauge Programs

LIST OF ACRONYMS USED

CFR	Code of Federal Regulations
IP	Inspection Procedure
mCi	millicurie
NRC	Nuclear Regulatory Commission
RSO	Radiation Safety Officer
WYDEQ	Wyoming Department of Environmental Quality
WYDWS	Wyoming Department of Workforce Services



Picture 1: Outside Hopper Building at Belle Ayr Mine (approaching gauges)



Picture 2: Thermo Fisher Model 5207 gauge at Belle Ayr (outside Hopper Bldg.)



Picture 3: Posting in Hopper Building at Eagle Butte Mine



Picture 4: Gauge in Hopper Building at Eagle Butte Mine



Picture 5: Sabia unit in Processing Building