

Hubert E. Winders
Radiation Safety Officer
North and South America

1610 St. Etienne Rd. Broussard, Louisiana 70518
318-856-7201 Fax 318-856-4967

June 25, 1993

Document Control Desk
Nuclear Regulatory Commission
Washington, D.C. 20555

Re: **Reply to a Notice of Violation**

License Number: 17-27437-01
Docket Number: 030-32818
Control Number: 464659

The intent of this document is to fulfill the requirements of the above reference notice.

We are resubmitting a complete response to Information Notice No. 89-25 as per the requirement of the letter dated 16 June 1993 and signed by L.J. Callan, Director, Division of Radiation Safety and Safeguards.

Information included is submitted as outlined in notice No. 89-25 paragraph 2a through 2k.

Ref. Par.

- 2a. The name of the organization will be **Baker Hughes INTEQ, Inc.** a Baker Hughes company like that of our present organization. Our present license name reads:
Baker Hughes Mining Tools, Inc.
dba Eastman Teleco Company
- 2b. There is a change in personnel named in the license. Mike J. Prezgay (condition 11. A.) will no longer be the assistant RSO. Myself, Hubert E. Winders will remain the RSO for all operations in NRC jurisdiction.
- 2c. The company was not purchased or sold, our new organization is simply a combining of service companies owned by Baker Hughes to create a single entity (merger) which may better serve our customers. No entity will operate without a license and our present NRC license will be amended as required when needed.

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- 2d. To summarize the transaction, Baker Hughes re-organized senior management of 4 operating entities/divisions/branches within Baker Hughes into one operating entity. Each entity/division/branch provides a service to our customers for drilling oil and gas wells. By combining the 4 Baker Hughes entities/divisions/branches into one entity we will be able to provide a total drilling service package to our customers.

All shares and assets are owned by parent (Baker Hughes).

The Baker Hughes Mining Tools, Inc. name was changed to Baker Hughes Drilling Technologies, Inc. and merged into Baker Hughes Production Tools, Inc. The name was then changed to Baker Hughes INTEQ, Inc. The enclosed documents support this statement and should provide the required information.

Eastman Teleco Division of Baker Hughes Drilling Technologies, Inc. - a Measurement While Drilling (MWD), Directional Drilling and Mud Motor company, is the only entity presently maintaining a NRC Materials License under 10 CFR Part 39 for use in well logging operations.

Baker Sand Control Division of Baker Hughes Production Tools, Inc. - provides completion services once the drilling has reached the target/pay sands. Baker Sand uses radioactive material for two different applications. One source is a 1 mCi Co 60 source which is installed into a marker/tag sub. The small source is used to verify the location of equipment (correlate the perforating gun's position) prior to use by locating the gamma source with a detector lowered down the hole. The other radioactive material is a 100 or 200 mCi Cs 137 sealed source installed in a density measuring gauge (densitometer). Gauges are mounted onto the stand pipe and used to measure the density of the media flowing through the pipe. The gauges are licensed under a general license agreement.

Milpark Drilling Fluids, a Texas General Partnership - provides drilling fluid products, environmental and analytical service.

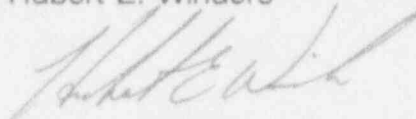
Exlog Division of Baker Hughes Drilling Technologies, Inc. - provides mud logging services and analytical information about the formations during drilling operations.

- 2e. Planned changes in organization are the only real key changes, we plan to add Baker Sand's material, locations and procedures to Eastman Teleco's present safety program (license and procedures/reporting). The only key points are Mr. Angie Smith will be the Vice President in charge of North America (Company Officer in charge of operations in NRC jurisdiction) and Mike Prezgay will no longer be the Assistant RSO for North America.
- 2f. There are no planned changes in use, possession, or storage of licensed materials.
- 2g. Records are being kept current and have been maintained by licensee.

- 2h. The status of the facility - there are only two facilities in NRC jurisdiction, however, the following also holds true for the other facilities. The licensed materials are sealed sources and are accountable at all times, the facilities will not change, contamination is not present, and the successor company is the same entity (Baker Hughes). As RSO I plan to inspect each facility and will assess the conditions of same. In NRC jurisdiction there are two facilities which are used as temporary storage sites only. All storage facilities are located in Louisiana.
- 2i. There are no decontamination plans or requirements.
- 2j. Because of the merger of entities owned by Baker Hughes and that the other entities do not possess a NRC license, we plan to amend our present NRC license as required. Baker Sand Control as an entity will no longer use a reciprocity agreement when requesting to perform work in NRC jurisdiction.
- 2k. Baker Hughes INTEQ, Inc. is committed by the merger to abide by all constraints, conditions, requirements, representations, and commitments identified in the license no. 17-27437-01.

Thank you for your attention into this matter.

Hubert E. Winders



Radiation Safety Officer
North and South America

cc: Nuclear Regulatory Commission
Regional Administrator, Region IV
611 Ryan Plaza Drive, Suite 400
Arlington, Texas 76011

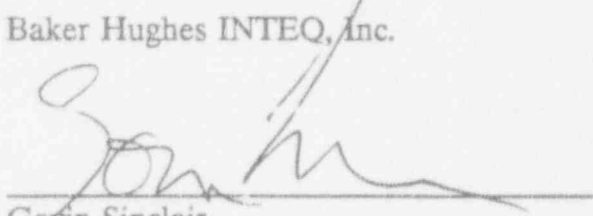
Gavin Sinclair
Senior Attorney
Baker Hughes INTEQ, Inc.
17015 Aldine-Westfield
Houston, Texas 77073

CERTIFICATE

I, Gavin Sinclair, hereby certify that I am the duly elected and qualified Secretary of Baker Hughes INTEQ, Inc., a California corporation (the "Corporation"), and that the attached Exhibit A is a true and correct copy of the Certificate of Merger filed in the office of the Secretary of State of Texas with an effective date of January 1, 1993, merging Eastman Teleco Company into Baker Hughes Mining Tools, Inc.; and that the attached Exhibit B is a true and correct copy of a Certificate of Amendment to the Articles of Incorporation of Baker Hughes Mining Tools, Inc. filed in the office of the Secretary of State of Texas on January 28, 1993 changing the name to Baker Hughes Drilling Technologies, Inc.; and that the attached Exhibit C is a true and correct copy of the Certificate of Merger and Name Change filed in the office of the Secretary of State of California on March 15, 1993, merging Baker Hughes Drilling Technologies, Inc. into Baker Hughes Production Tools, Inc. and changing the name to Baker Hughes INTEQ, Inc.

IN WITNESS WHEREOF, I have set my hand as Secretary of Baker Hughes INTEQ, Inc. on this 1st day of April, 1993.

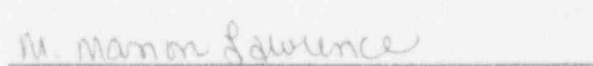
Baker Hughes INTEQ, Inc.

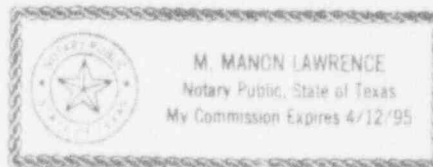

Gavin Sinclair
Secretary

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

Before me, the undersigned authority, on this day personally appeared Gavin Sinclair, Secretary of Baker Hughes INTEQ, Inc., a corporation, known to me to be the person whose name is subscribed to the foregoing certificate and acknowledged to me that he executed the same as the act of said Corporation for the purposes therein expressed, and in the capacity therein stated.

Given under my hand and seal of office on this 1st day of April, 1993.


Notary Public in and for TEXAS



State of Delaware



Office of Secretary of State

I, MICHAEL RATCHFORD, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER OF "DEVELCO, INC." A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF CALIFORNIA, "BAKER HUGHES MWD, INC." AND "TELECO OILFIELD SERVICES INC." CORPORATIONS ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, MERGING WITH AND INTO "EASTMAN TELECO COMPANY", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE UNDER THE NAME OF "EASTMAN TELECO COMPANY" AS RECEIVED AND FILED IN THIS OFFICE THE FIRST DAY OF JULY, A.D. 1992, AT 10 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CORPORATION SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE.



722183031

A handwritten signature in cursive script, reading "Michael Ratchford".
Michael Ratchford, Secretary of State

AUTHENTICATION: *3507843

DATE: 07/02/1992

CONTINUED ON PAGE 2



Office of Secretary of State

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO
THE APPROPRIATE COUNTY RECORDER OF DEEDS FOR RECORDING.

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722183031

Michael Ratchford

Michael Ratchford, Secretary of State

AUTHENTICATION: *3507843

DATE: 07/02/1992

CERTIFICATE OF MERGER
OF
BAKER HUGHES MWD, INC.
AND
DEVELCO, INC.
AND
TELECO OILFIELD SERVICES INC.
INTO
EASTMAN TELECO COMPANY

The undersigned corporation

DOES HEREBY CERTIFY:

FIRST: That the names and states of incorporation of each of the constituent corporations of the merger are as follows:

NAME	STATE OF INCORPORATION
BAKER HUGHES MWD, INC.	DELAWARE
DEVELCO, INC.	CALIFORNIA
EASTMAN TELECO COMPANY	DELAWARE
TELECO OILFIELD SERVICES INC.	DELAWARE

SECOND: That an Agreement of Merger between the parties to the merger has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations in accordance with the requirements of Section 252 of the General Corporation Law of Delaware.

THIRD: That the name of the surviving corporation of the merger is EASTMAN TELECO COMPANY, a Delaware corporation.

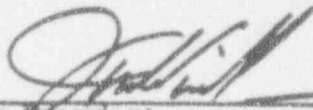
FOURTH: That the Certificate of Incorporation of EASTMAN TELECO COMPANY, a Delaware corporation, which is the surviving corporation, shall continue in full force and effect as the Certificate of Incorporation of the surviving corporation.

FIFTH: That the executed Agreement of Merger is on file at the principal place of business of the surviving corporation, the address of which is 15355 Vantage Parkway West, Suite 300, Houston, Texas 77032-1925.

SIXTH: That a copy of the Agreement of Merger will be furnished, on request and without cost, to any stockholder of any constituent corporation.

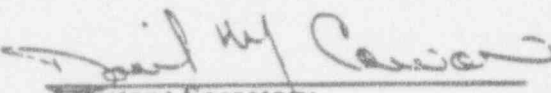
SEVENTH: That this Certificate of Merger shall be effective upon the close of business on July 1, 1992.

EASTMAN TELECO COMPANY


Vice President

Dated: June 23rd, 1992

WITNESSES:

By: 
Assistant Secretary

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The State of Texas

SECRETARY OF STATE CERTIFICATE OF MERGER

The undersigned, as Secretary of State of the State of Texas, hereby certifies that the attached Articles of Merger of

BAKER HUGHES DRILLING TECHNOLOGIES, INC.

a California corporation

EASTMAN TELECO COMPANY

a Delaware corporation

WITH

BAKER HUGHES MINING TOOLS, INC.

a Texas corporation

have been received in this office and are found to conform to law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Merger.

Dated DECEMBER 22, 19 92.

Effective JANUARY 1, 19 93 at XXXXXXXXXX



John Hannah Jr.
Secretary of State

jk

ARTICLES OF MERGER
OF
BAKER HUGHES DRILLING TECHNOLOGIES, INC.
AND
EASTMAN TELECO COMPANY
INTO
BAKER HUGHES MINING TOOLS, INC.

FILED
In the Office of the
Secretary of State of Texas
DEC 22 1992
Corporations Section

Pursuant to the provisions of Article 5.16 of the Texas Business Corporation Act, Baker Hughes Mining Tools, Inc., a corporation organized under the laws of the State of Texas, and owning at least ninety percent (90%) of the shares of Baker Hughes Drilling Technologies, Inc., a corporation organized under the laws of the State of California, and Eastman Teleco Company, a corporation organized under the laws of the State of Delaware, hereby executes the following articles of merger:

1. The following is a copy of a resolution of the Board of Directors of Baker Hughes Mining Tools, Inc. adopted on December 17, 1992:

* RESOLVED, That Baker Hughes Drilling Technologies, Inc., a corporation organized and existing under the laws of the State of California ("BHDTI") and a corporation wholly-owned by Baker Hughes Mining Tools, Inc. ("BHMTI"), be merged with and into BHMTI, and that on the effective date of such merger the following shall occur: (a) each issued and outstanding share of capital stock of BHDTI shall be cancelled and no shares or other consideration shall be issued or given in respect thereof; (b) each issued and outstanding share of Common Stock of BHMTI shall not be affected by the merger; and (c) BHMTI shall be the surviving corporation following the merger, shall upon the merger and thereafter possess all the rights, privileges, immunities and franchises, and all property, real, personal, mixed, and all debts due on whatever account and all and every other interest of or belonging to or due BHDTI without further act or deed, and shall thenceforth be responsible and liable for all liabilities and obligations of BHDTI.

* RESOLVED, That Eastman Teleco Company, a corporation organized and existing under the laws of the State of Delaware ("ETC") and a corporation wholly-owned by Baker Hughes Mining Tools, Inc. ("BHMTI"), be merged with and into BHMTI, and that on the effective date of such merger the following shall occur: (a) each issued and outstanding share of capital stock of ETC shall be cancelled and no shares or other consideration shall be issued or given in respect thereof; (b) each issued and outstanding share of Common Stock of BHMTI shall not be affected by the merger; and (c) BHMTI shall be the surviving corporation following the merger, shall upon the merger and thereafter possess all the rights, privileges, immunities and franchises, and all property, real, personal, mixed, and all debts due on whatever account and all and every other interest of or belonging to or due ETC without further act or deed, and shall thenceforth be responsible and liable for all liabilities and obligations of ETC.

FURTHER RESOLVED, That the officers of BHMTI be, and they hereby are, authorized, empowered and directed to take, or cause to be taken, all actions and to do, or cause to be done, all things by and on behalf of this Corporation and in its name which are deemed to be necessary, proper or advisable in order to consummate and make effective the merger, including, without limitation, the execution, acknowledgement and/or verification and filing with the appropriate jurisdictions such documents as may be deemed necessary or proper to effect the intent and purpose of the foregoing resolution."

2. The number of outstanding shares of each class of the subsidiary corporations and the number of shares of each class owned by the surviving corporation is:

<u>Subsidiary</u>	<u>Class</u>	<u>No. of Shares Outstanding</u>	<u>No. of Shares Owned by Parent</u>
Baker Hughes Drilling Technologies, Inc.	Common	100	100
Eastman Teleco Company	Common	1,000	1,000

3. The laws of California, the jurisdiction under which Baker Hughes Drilling Technologies, Inc. is organized, permits such a merger.

4. The laws of Delaware, the jurisdiction under which Eastman Teleco Company is organized, permits such a merger.
5. That the merger shall be effective on January 1, 1993.

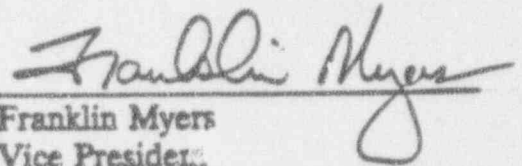
Dated this 17th day of December, 1992.

BAKER HUGHES MINING TOOLS, INC.

By:

Name: Franklin Myers

Title: Vice President





The State of Texas

SECRETARY OF STATE

CERTIFICATE OF AMENDMENT OF

BAKER HUGHES DRILLING TECHNOLOGIES, INC.
FORMERLY:

BAKER HUGHES MINING TOOLS, INC.

The undersigned, as Secretary of State of the State of Texas, hereby certifies that the attached Articles of Amendment for the above named entity have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Amendment.

Dated January 28, 19 93.

Effective January 28, 19 93 at XXXXXX a.m./p.m.



John Hannah Jr.
Secretary of State

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ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
BAKER HUGHES MINING TOOLS, INC.

FILED
In the Office of the
Secretary of State of Texas

JAN 28 1993
Corporations Section

Pursuant to the provisions of Art. 4.04 of the Texas Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

ARTICLE ONE. The name of the corporation is Baker Hughes Mining Tools, Inc.

ARTICLE TWO. The following amendment to the Articles of Incorporation was adopted by the shareholders of the corporation on January 5, 1993:

Article One of the Articles of Incorporation is hereby amended so as to read as follows:

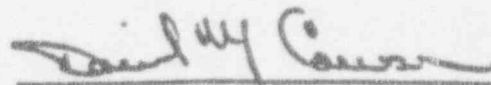
"ARTICLE ONE. The name of the corporation is Baker Hughes Drilling Technologies, Inc."

ARTICLE THREE. The number of shares of the corporation outstanding at the time of such adoption was 100; and the number of shares entitled to vote thereon was 100.

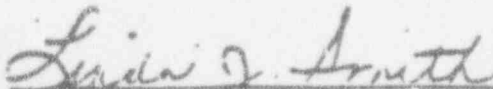
ARTICLE FOUR. The holders of all of the shares outstanding and entitled to vote on said amendment have signed a consent in writing adopting said amendment.

Dated January 5, 1993.

BAKER HUGHES MINING TOOLS, INC.



David M. Cowan
Vice President



Linda J. Smith
Assistant Secretary

A430292



State
of
California

OFFICE OF THE SECRETARY OF STATE

CORPORATION DIVISION

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

MAR 31 1993



March Fong Eu

Secretary of State

A430292

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

AGREEMENT OF MERGER

BETWEEN

BAKER HUGHES PRODUCTION TOOLS, INC.

MAR 15 1993

AND

MARCH FORING EU, Secretary of State

BAKER HUGHES DRILLING TECHNOLOGIES, INC.

This Agreement of Merger is entered into between Baker Hughes Production Tools, Inc., a California corporation (herein "Surviving Corporation") and Baker Hughes Drilling Technologies, Inc., a Texas corporation (herein "Merging Corporation").

1. Merging Corporation shall be merged into Surviving Corporation.

2. Each outstanding share of Surviving Corporation shall remain outstanding.

3. The outstanding shares of Merging Corporation shall be canceled and no shares of Surviving Corporation shall be issued in exchange therefor.

4. Merging Corporation shall from time to time, as and when requested by Surviving Corporation, execute and deliver all such documents and instruments and take all such action necessary or desirable to evidence or carry out this merger.

5. The effect of the merger is as prescribed by law.

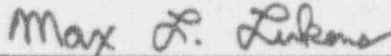
6. The Articles of Incorporation of the surviving Corporation shall be and will remain the Articles of Incorporation of the surviving Corporation, except that Article I of the Articles of Incorporation shall be amended to read as follows:

ARTICLE I

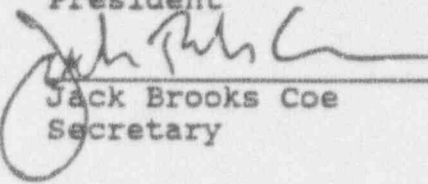
"The name of the Corporation is Baker Hughes INTEQ, Inc."

IN WITNESS WHEREOF, the parties have executed this Agreement
on this 10th day of March, 1993.

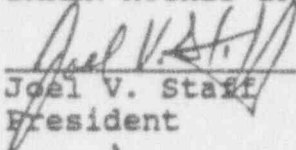
BAKER HUGHES PRODUCTION TOOLS, INC.

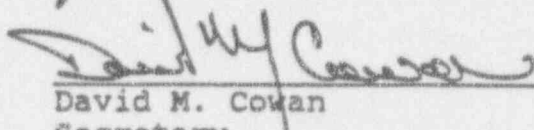


Max L. Lukens
President


Jack Brooks Coe
Secretary

BAKER HUGHES DRILLING TECHNOLOGIES, INC.


Joel V. Staff
President


David M. Cowan
Secretary

OFFICERS' CERTIFICATE

OF

BAKER HUGHES PRODUCTION TOOLS, INC.

We, Max L. Lukens, President and Jack Brooks Coe, Secretary of Baker Hughes Production Tools, Inc., a corporation duly organized and existing under the laws of the State of California, do hereby certify:

1. That they are the President and the Secretary, respectively of Baker Hughes Production Tools, Inc., a California corporation.

2. The total number of outstanding shares of each class of this corporation entitled to vote on the merger is as follows:

<u>Class</u>	<u>Total Number of Shares Entitled to Vote</u>
Common	1000

3. That the principal terms of the Agreement of Merger in the form attached were approved by the shareholders of this corporation by a vote of the number of shares of each class which equalled or exceeded the vote required by each class to approve said Agreement of Merger.

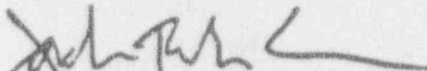
4. That each class entitled to vote and the minimum percentage vote of each such class is as follows:

<u>Class</u>	<u>Minimum Percentage Vote Required to Approve the Merger</u>
Common	100%

Each of the undersigned declares under penalty of perjury that the statements contained in the foregoing certificate are true of their own knowledge. Executed at Houston, Texas, on March 10, 1993.



Max L. Lukens
President



Jack Brooks Coe
Secretary

OFFICERS' CERTIFICATE

OF

BAKER HUGHES DRILLING TECHNOLOGIES, INC.

Joel V. Staff, President and David M. Cowan, Secretary of Baker Hughes Drilling Technologies, Inc., a corporation duly organized and existing under the laws of the State of Texas, do hereby certify:

1. That they are the President and the Secretary, respectively of Baker Hughes Drilling Technologies, Inc., a corporation.

2. The total number of outstanding shares of each class of this corporation entitled to vote on the merger is as follows:

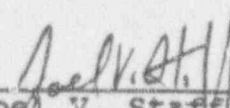
<u>Class</u>	<u>Total Number of Shares Entitled to Vote</u>
Common	100

3. That the principal terms of the Agreement of Merger in the form attached were approved by the shareholders of this corporation by a vote of the number of shares of each class which equalled or exceeded the vote required by each class to approve said Agreement of Merger.

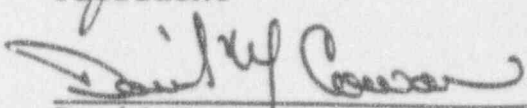
4. That each class entitled to vote and the minimum percentage vote of each such class is as follows:

<u>Class</u>	<u>Minimum Percentage Vote Required to Approve the Merger</u>
Common	100%

Each of the undersigned declares under penalty of perjury that the statements contained in the foregoing certificate are true of their own knowledge. Executed at Houston, Texas, on March 10, 1993.



Joel V. Staff
President



David M. Cowan
Secretary