

JAN 11 1994

License No. 06-00807-01
Docket No. 030-03766
Control No. 113301

Schlumberger Technology Corporation
ATTN: Perry M. Hamburger
Risk Manager
Oilfield Services North America
300 Schlumberger Drive
Sugar Land, Texas 77478

Dear Mr. Hamburger:

Subject: Financial Assurance

This is in reference to your letters dated June 26, 1993, June 18, 1993, and the attached document dated April 26, 1991 to provide financial assurance and a cost estimate for your facility located in Ridgefield, Connecticut, License No. 06-00807-01. We have reviewed your application and request you to modify your documents to address the specific issues listed below:

1. In the first paragraph of your Surety Bond, beginning with the words: "Total penal amount...", you refer to the NRC as the "NCR". Please correct this apparent typographical error.
2. On page 2 of your Surety Bond, beginning with the words: "The Surety(ies) shall become liable on this bond obligations...", you inadvertently omitted the wording underlined below:

"Upon notification by the NRC that the Principal has failed to perform as guaranteed by this bond, the surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the Standby Trust Fund."

Modify the surety bond to include the underlined text listed above.

3. On page 3, Section 4.4 of your decommissioning cost estimate you do not account for costs of services to be provided by Schlumberger staff. These costs must be included into the cost estimate. The preamble to this rule is, in the event the licensee defaults on its decommissioning obligations, or somehow becomes unable to pay for these activities, a third party will be in place to pay for decommissioning.

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In the event the licensee is unwilling or unable to perform decommissioning activities, funds must be available to pay a third party to perform decommissioning activities, so the facility(ies) in question would not become a risk to public health and safety. Modify your decommissioning funding plan to include an estimate of all costs associated with decommissioning your facility. This information should include all information necessary to complete Appendix F of Regulatory Guide 3.66 (copy enclosed).

Include in your submission a more comprehensive cost estimate including items such as a background/characterization survey, planning and preparation, and a final radiological closeout survey, to document levels of radioactivity remaining in the facility after decontamination is completed. This will provide further evidence that these levels meet the levels specified for unrestricted release.

In addition, your decommissioning cost estimate prepared for you by Nuclear Energy Services, dated April 26, 1991, it appears that the costs of low-level radioactive waste disposal may have been substantially underestimated. Please review and modify this information to coincide with current (December 1993) costs.

Satisfactory financial assurance is required for your license. Therefore, we request that you respond within 30 calendar days of the date of this letter.

Please reply in duplicate to my attention at the Region I office and be sure to submit completely executed originally signed documents. You may refer to Mail Control No. 113301. If you have any questions regarding this deficiency letter, please contact Anthony Dimitriadis of my staff at (215) 337-6953.

Sincerely,

Original Signed By:
Mohamed M. Shanbaky

Mohamed M. Shanbaky, Chief
Research and Development Section
Division of Radiation Safety and
Safeguards

Schlumberger Technology Corporation -3-

Enclosure:
Regulatory Guide 3.66

cc:
Schlumberger Technology Corporation
ATTN: Dr. Joel Groves, Director
Nuclear Science Department
Radiation Laboratory Manager
Old Quarry Road
P.O. Box 307
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