



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE, SUITE 210
WALNUT CREEK, CALIFORNIA 94596

JAN 31 1991

Docket No.: 15000004
License No.: State of California
4202-70

Flo-Log, Inc.
14101 Orange Avenue
Paramount, California 90723

Attention: Mr. R. Helms
President

This refers to the routine safety inspection conducted by Mr. David D. Skov of this office on December 13-14, 1990 and on January 14-15, 1991, of activities authorized by NRC under the general license as provided in 10 CFR 150.20. The initial findings of this inspection were discussed with Mr. M. Findlay of your staff at the conclusion of the inspection on January 15, 1991.

The inspection was an examination of the activities conducted under the general license as they relate to radiation safety and to compliance with the Commission's rules and regulations and the conditions of your California specific license. The inspection consisted of selective examinations of procedures and records, interviews with personnel, and observations by the inspector.

Based on the results of this inspection, certain of your activities appeared to be in violation of NRC requirements, as specified in the enclosed Notice of Violation (Notice). These items have been categorized into severity levels as described in the NRC Enforcement Policy, 10 CFR Part 2, Appendix C (1990). The violations discussed with you by our inspector concerning shipping papers, package labeling and posting as prescribed in 10 CFR Part 19 have not been cited pursuant to 10 CFR Part 2, Appendix C, Section V.A.

In addition to the need for corrective action regarding the specific violations in the Notice of Violation, we are concerned about the implementation of your management control system that permitted the violations to occur. Consequently, in your reply you should describe in particular those actions taken or planned to improve the effectiveness of your overall management control system.

You are required to respond to this letter and should follow the instructions in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

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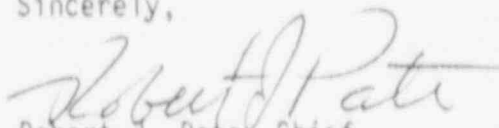
During our inspection, Mr. Skov held several discussions with Mr. Findlay regarding the NRC general license provisions of 10 CFR Part 150 and your need to also comply with the NRC well logging requirements of 10 CFR Part 39. Although 10 CFR 150.20 currently does not reference 10 CFR Part 39, this omission was unintended and apparently will be corrected during future rule making by the NRC. You should also be aware that the State of California plans to incorporate the provisions of 10 CFR Part 39 into its own regulations for State compatibility with the NRC within the near future. Consequently, future licensed activities at offshore oil platforms in Federal waters will most likely be subject to the provisions of 10 CFR Part 39.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1990, Pub. L. No. 96-511.

If you have any questions on this matter or concerning this inspection, please telephone Mr. Skov on 415-975-0253.

Sincerely,



Robert J. Pate, Chief
Nuclear Materials and Fuel
Fabrication Branch

JAN 8 1 1991

bcc w/enclosure:
Docket File
Inspection File
G. Cook
B. Faulkenberry
J. Martin
State of California

bcc w/o enclosure:
M. Smith
J. Zollicoffer

REGION V
DSkov *DSkov*
1/30/91

AJohnson *AJohnson*
1/30/91

RPate *RPate*
2/1/91

REQUEST COPY YES / NO	REQUEST COPY YES / NO	REQUEST COPY YES / NO
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SEND TO PDR YES / NO
