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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
1600 EAST LAMAR BOULEVARD  
ARLINGTON, TEXAS 76011-4511

July 20, 2021

Mr. Keenan W. Ritter, Radiation Safety Officer  
P.O. Box 9  
Ponder, Texas 76259

SUBJECT: NRC INSPECTION REPORT 030-06415/2021-001 AND NOTICE OF VIOLATION

Dear Mr. Ritter:

This letter refers to the announced routine inspection conducted on March 24, 2021, at your facility in Ponder, Texas, with continued in-office review through July 14, 2021. The inspection was an examination of activities conducted under your license as they relate to public health and safety and security, to confirm compliance with the U.S. Nuclear Regulatory Commission's (NRC's) rules, regulations, and with the conditions of your license. Within these areas, the inspection consisted of a selected examination of representative records and interviews with personnel. The preliminary inspection findings were discussed with you at the conclusion of the onsite portion of the inspection on March 24, 2021. A final exit briefing was conducted telephonically with you on July 14, 2021.

Based on the results of this inspection, the NRC has determined that two Severity Level IV violations of NRC requirements occurred. These violations were evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The first violation is regarding the failure to receive the Commission's consent prior to an in-direct transfer of control as required by Title 10 of the *Code of Federal Regulations* (10 CFR) 30.34(b). This violation is cited in the enclosed public Notice of Violation (Notice) (Enclosure 1). The second violation is regarding a failure of the requirements in 10 CFR Part 37 and is cited in the enclosed non-public Notice (Enclosure 2). The NRC is citing these violations in the enclosed Notices because they were identified by the NRC during the inspection.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The guidance in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful in preparing your response. You can find the Information Notice on the NRC website at: <https://www.nrc.gov/reading-rm/doc-collections/gen-comm/info-notices/1996/in96028.html>. Information regarding the reason for the violation(s), the corrective actions taken and planned to correct the violations and prevent recurrence, and the date when full compliance will be (was) achieved should be addressed. The NRC review of your response to the Notices will also determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

Enclosure 2 contains Security-Related Information. When separated from Enclosure 2 this cover letter and Enclosure 1 are decontrolled.

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In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this cover letter, Enclosure 1, and your response to that enclosure 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 to Enclosure 1 should not include any personal privacy or proprietary information so that it can be made available to the Public without redaction.

However, the non-public Notice (Enclosure 2) contains Security-Related Information withheld under 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in Enclosure 2 will not be made available electronically for public inspection. Additionally, since security-related information is necessary to provide an acceptable response to Enclosure 2, please mark your entire response Security-Related Information in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Should you have any questions regarding this letter or the enclosed Notice, please contact Allyce B. Bolger at 817-200-1197 or the undersigned at 817-200-1455.

Sincerely,



Signed by Roldan-Otero, Lizzette  
on 07/20/21

Lizzette Roldan-Otero, PhD, Chief  
Materials Licensing and Inspection Branch  
Division of Nuclear Materials Safety

Docket No. 030-06415  
License No. 42-08456-02

Enclosure:

1. Notice of Violation (Public)

Cc (w/Enclosure):  
Charlotte Sullivan, Section Director  
Texas Department of State Health Services

SUBJECT: NRC INSPECTION REPORT 030-06415/2021-001 AND NOTICE OF VIOLATION –  
DATED JULY 20, 2021

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ADAMS ACCESSION NUMBER: **ML21201A258**

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

OFFICE	RIV:DNMS	RIV:DNMS				
NAME	ABBolger	LROtero				
SIGNATURE	/RA/	LRO				
DATE	7/14/21	07/19/21				

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NOTICE OF VIOLATION

Century Inspection, Inc.  
Ponder, Texas

Docket No. 030-06415  
License No. 42-08456-02

During an NRC inspection conducted on March 24, 2021, with continued in office review until July 14, 2021, one violation of NRC safety requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 30.34(b) requires, in part, that no license issued or granted pursuant to the regulations shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of the Act and shall give its consent in writing.

Contrary to the above, on December 20, 2019, the licensee failed to receive the Commission's consent in writing prior to completing a transfer of control of NRC License 49-27501-01. Specifically, on December 20, 2019, a merger of Rockwood Service Corporation, the holding company for the licensee, resulted in a change in majority ownership or the corporation, constituting an indirect transfer of control under 10 CFR 30.34(b), which did not receive prior NRC approval and consent in writing.

This is a Severity Level IV violation (NRC Enforcement Policy Section 6.3.d.7)

Pursuant to the provisions of 10 CFR 2.201, Century Inspection, Inc., is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Regional Administrator, Region IV, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued requiring information as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Your response will be made available electronically for public inspection in the NRC Public Document Room or in 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 should not include any personal privacy or proprietary information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide

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Enclosure 1

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a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information).

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days of receipt.

Dated this 20th day of July 2021.