



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

September 12, 2022

EA-22-059

David Estes
Radiation Safety Officer
Chevron U.S.A., Inc.
100 Northpark Boulevard
HES Environmental Department
Covington, LA 70433

SUBJECT: NRC INSPECTION REPORT 030-37496/2022-001; EXERCISE OF
ENFORCEMENT DISCRETION; AND NOTICE OF VIOLATION

Dear David Estes:

This letter refers to the U.S. Nuclear Regulatory Commission (NRC) in-office review that was conducted from February 15 to May 10, 2022, regarding the amendment request received from Chevron U.S.A., Inc., (Chevron), NRC License No. 17-29267-01, dated December 6, 2021, which contains security-related information and is not publicly available. The amendment request was, in part, to add six fixed nuclear gauges to a location in exclusive Federal Jurisdiction in the Gulf of Mexico. On May 4, 2022, you provided a response to a request for additional information. Your response contained security-related information and is not publicly available. Your response explained that Chevron already possessed six of the gauges referenced in the amendment request. The six gauges had been previously transferred to Chevron as generally licensed devices. However, Chevron did not register the six devices with the NRC as generally licensed devices in accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 31.5(c)(13) and the required general license label was not affixed to any of the gauges. Furthermore, the six nuclear gauge devices were not authorized to be possessed as specifically licensed devices in Chevron's NRC License No. 17-29267-01.

The NRC evaluated Chevron's amendment request and additional information. License Amendment No. 12 for NRC License No. 17-29267-01 was issued on May 10, 2022, which authorized the possession of the additional gauges as specifically licensed devices. On May 11, 2022, at the conclusion of the NRC's in office review, the license reviewer discussed the preliminary findings with you regarding the possession of fixed nuclear gauges without either a general license registration or specific NRC license authorization. A final exit briefing was conducted via videoconference with you on August 31, 2022.

Based on the results of the NRC's review, the NRC has determined that a violation of 10 CFR 30.34(c) occurred. The violation was related to the possession of six fixed nuclear gauges that were not registered as generally licensed devices and not authorized to be possessed as specifically licensed devices. In accordance with the NRC Enforcement Policy, this violation would normally be categorized at Severity Level III and considered for escalated enforcement action. The NRC Enforcement Policy can be found at the NRC's website at <https://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>.

However, in accordance with NRC Enforcement Guidance Memorandum (EGM) 20-003 "Enforcement Guidance Memorandum – Interim Guidance for Dispositioning Violations of Licensed Material Possession and Use Limits," issued July 15, 2020, (Agencywide Documents Access and Management System (ADAMS) Accession number ML20156A340), the NRC is exercising enforcement discretion to categorize this violation as a Severity Level IV violation.

The NRC has concluded that information regarding: (1) the reason for the violation; (2) the corrective actions that have been taken and the results achieved; and (3) the date when full compliance was achieved is already adequately addressed on the docket in your letter dated December 6, 2021, and the subsequent letter dated May 4, 2022. Specifically, you submitted a license amendment request to correct the issue, and the license amendment was issued on May 10, 2022. Therefore, you are not required to respond to this letter unless the description herein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice of Violation.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice and Procedure," a copy of this letter, its enclosure, and your response, if you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room and from the NRC's ADAMS, accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>.

Should you have any questions regarding this letter or the enclosed Notice of Violation, please contact Casey Alldredge at (817) 200-1546, or the undersigned at (817) 200-1156.

Sincerely,



Signed by O'Keefe, Cornelius
on 09/12/22

Neil O'Keefe, Chief
Materials Licensing Branch
Division of Radiological Safety and Security

License No.: 17-29267-01
Docket No.: 030-37496

Enclosure:
Notice of Violation

cc w/Enclosure:

Jerry Lang, Administrator
Louisiana Department of Environmental Quality
602 North Street
Baton Rouge, LA 70802
Jerry.Lang@la.gov

NRC INSPECTION REPORT 030-37496/2022-001; EXERCISE OF ENFORCEMENT DISCRETION; AND NOTICE OF VIOLATION DATED SEPTEMBER 12, 2022

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NOTICE OF VIOLATION

Chevron U.S.A., Inc.
Covington, LA

Docket No.: 030-37496
License No.: 17-29267-01
EA-22-059

During an NRC in office review conducted from February 15 to May 10, 2022, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 30.34(c) requires, in part, that each person licensed by the Commission pursuant to the regulations in 10 CFR Part 30 and parts 31 through 36 and 39 shall confine his possession and use of the byproduct material to the locations and purposes authorized in the license.

NRC license 17-29267-01, License Conditions 6.A. through 9.C. for Amendment Nos. 5 through 11 authorizes the possession and use of only Tracerco (formerly distributed by Roxar, Inc.) Model 800; and Tracerco (a business unit of Johnson Matthey, Inc.) Model Profiler Series fixed nuclear gauging devices.

Contrary to the above, from 2015 to May 10, 2022, the licensee failed to confine its possession and use of byproduct material to the purposes authorized in the license. Specifically, the licensee failed to comply with the possession limits specified in NRC license 17-29267-01, by possessing more sources and different model gauges than were authorized. The licensee possessed six FMC Technologies, Inc., (formerly Multi Phase Meters, Inc.), Model SH-7900 fixed gauging devices which were not authorized in NRC license 17-29267-01.

This is a Severity Level IV violation (NRC EGM 20-003).

The NRC has concluded that information regarding: (1) the reason for the violation; (2) the corrective actions that have been taken and the results achieved; and (3) the date when full compliance was achieved is already adequately addressed on the docket in your letter dated December 6, 2021 and the subsequent letter dated May 4, 2022.

However, Chevron U.S.A., Inc., is required to submit a written statement or explanation, pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation; EA-22-059" and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Director, Division of Radiological Safety and Security, U.S. Nuclear Regulatory Commission, Region IV, 1600 E. Lamar Blvd., Arlington, Texas 76011-4511, and email it to R4Enforcement@nrc.gov within 30 days of the date of the letter transmitting this Notice of Violation.

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, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

If you choose to respond, your response will be made available electronically for public inspection in the NRC's Agencywide Documents Access and Management System (ADAMS),

Enclosure

accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>. Therefore, to the extent possible, the 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 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).

Dated this 1st of September 2022