



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

July 27, 2023

EA-23-056

Josh Cormier
Radiation Safety Officer
Oceaneering International, Inc.
5004 Railroad Avenue
Morgan City, Louisiana 70380

SUBJECT: OCEANEERING INTERNATIONAL, INC. - NRC INSPECTION REPORT
150-00017/2022-003 AND NOTICE OF VIOLATION

Dear Josh Cormier:

This letter refers to the U.S. Nuclear Regulatory Commission (NRC) in-office review that was conducted February 8 through June 1, 2023. This review evaluated a potential violation resulting from the failure to file for reciprocity in a timely manner. The enclosed report presents the results of this in-office review. A final exit briefing was conducted telephonically with you on July 20, 2023.

Based on the information provided by Oceaneering International, Inc. (Oceaneering), the NRC has determined that one Severity Level IV violation of NRC requirements occurred involving Oceaneering's failure to file a complete initial application for reciprocity prior to storing licensed activities in offshore waters for calendar year 2023. The violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's website at (<http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>). The violation is cited in the enclosed Notice of Violation (Notice), Enclosure 1, and the circumstances surrounding it are described in detail in the subject inspection report, Enclosure 2. The violation is being cited in the Notice because it was identified by the NRC during a review of records submitted by Oceaneering.

In accordance with the NRC Enforcement Policy, the failure to file an NRC Form 241 prior to engaging in licensed activities in NRC jurisdiction is normally categorized as a Severity Level III violation. The NRC Enforcement Policy includes examples of Severity Level IV violations when certain criteria are met. As a materials licensee, whose licensed activity is designated as a Priority 1 NRC inspection, you only met three of the four criteria in Enforcement Policy Section 6.9.d.14 to be characterized as a Severity Level IV violation.

However, in this case, several factors were considered to disposition this violation at Severity Level IV. The factors included: (1) Oceaneering had stored licensed material in offshore waters for just 9 days prior to the submittal of NRC Form 241; (2) the licensee was still under NRC approval for reciprocity in 2022 when it placed the material in storage in offshore waters; (3) Oceaneering had a clear history of filing the required paperwork, NRC Form 241, in a timely fashion; (4) the licensee completed the application and received approval before performing any

actual work; and (5) the licensed materials remained in secure storage in offshore waters, thereby limiting security access concerns, as well as potential for exposure and contamination to members of the public. Considering these mitigating factors, the NRC determined this violation is more appropriately characterized at Severity Level IV.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. If you have additional information that you believe the NRC should consider, you may provide it in your response to the Notice. The NRC review of your response to the Notice will also determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter, its enclosure, and your response, 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 website 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.

Please feel free to contact Casey Alldredge or Tony Gonzalez if you have any questions regarding this in-office review. Casey Alldredge can be reached at 817-200-1546 or Casey.Alldredge@nrc.gov, and Tony Gonzalez can be reached at 817-200-1472 or Antonio.Gonzalez@nrc.gov.

Thank you for your cooperation.

Sincerely,



Signed by O'Keefe, Cornelius
on 07/27/23

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

Docket: 150-00017
License: 10 CFR 150.20

Enclosures:

1. Notice of Violation
2. NRC Inspection Report 150-00017/2022-003

OCEANEERING INTERNATIONAL, INC. - NRC INSPECTION REPORT 150-00017/2022-003 AND NOTICE OF VIOLATION - DATED JULY 27, 2023.

DISTRIBUTION:

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NRC INSPECTION REPORT 2022-003 AND NOTICE OF VIOLATION

ADAMS ACCESSION NUMBER: **ML23202A165**

SUNSI Review: ADAMS: Non-Publicly Available Non-Sensitive Keyword:
By: NFO Yes No Publicly Available Sensitive NRC B.1

OFFICE	HP:MLB	C:MIB	TL:ACES	C:MLB	
NAME	TGonzalez	LRoldan-Otero	JKramer	NO'Keefe	
SIGNATURE	/RA/	/RA/	/RA/	/RA/	
DATE	07/21/23	07/27/23	07/24/23	07/27/23	

OFFICIAL RECORD COPY

NOTICE OF VIOLATION

Oceaneering International, Inc.
Morgan City, Louisiana

Docket No. 150-00017
License No. 10 CFR 150.20
EA-23-056

During an NRC in-office inspection conducted on February 8 through June 1, 2023, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 30.3(a) requires, in part, that no person shall receive, acquire, own, possess, or use byproduct material except as authorized in a specific or general license issued in accordance with the regulations in 10 CFR Chapter I.

10 CFR 150.20(a)(1) requires, in part, that any person who holds a specific license from an Agreement State is granted a general NRC license to conduct the same activity in offshore waters subject to the provisions of 10 CFR 150.20(b).

10 CFR 150.20(b)(1) requires, in part, that any person engaging in activities in offshore waters under the general license provisions of 10 CFR 150.20 shall, at least 3 days before engaging in each activity for the first time in a calendar year, file a submittal containing an NRC Form 241, "Report of Proposed Activities in Non-Agreement States", a copy of its Agreement State specific license, and the appropriate fee with the Regional Administrator of the appropriate NRC regional office.

Contrary to the above, from January 1 through 9, 2023, Oceaneering International, Inc., a licensee of the State of Louisiana, engaged in activities in offshore waters without filing a submittal containing an NRC Form 241, "Report of Proposed Activities in Non-Agreement States," a copy of its Agreement State specific license, and the appropriate fee with the Region IV Regional Administrator at least 3 days before engaging in each activity for the first time in a calendar year. Specifically, Oceaneering International Inc., stored licensed material in offshore waters on January 1, 2023, when the 2022 reciprocity expired, but did not submit a copy of its Agreement State radioactive materials license and the appropriate fee until January 9, 2023, for renewal of the reciprocity. Since the licensed material was stored in offshore waters on January 1, 2023, the licensee was required to provide this information to the NRC three days prior to the start of the new calendar year, which was December 29, 2022.

This is a Severity Level IV violation (NRC Enforcement Policy Section 6.9).

Pursuant to the provisions of 10 CFR 2.201, Oceaneering International, 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 Director, Division of Radiological Safety and Security, Region IV, 1600 East Lamar Blvd., Arlington, Texas 76011-4511, 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; EA-23-056" and should include for the violation: (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 website 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 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 27 day of July 2023

U.S. NUCLEAR REGULATORY COMMISSION
REGION IV

Inspection No. 2022-003

EA: EA-23-056

Docket No. 150-00017

License No. 10 CFR 150.20

Licensee: Oceaneering International, Inc.

Location: Anadarko Petroleum Corporation
Offshore production platform, East Breaks (EB) 602A (Nansen) Lat: 27°
22' 02" Long: -94° 28' 04"

Inspection Dates: In-Office Review February 8 – June 1, 2023

Exit Meeting Date: July 20, 2023

Inspector: Tony J. Gonzalez, Health Physicist
Materials Licensing Branch
Division of Radiological Safety & Security

Approved By: Neil O'Keefe, Chief
Materials Licensing Branch
Division of Radiological Safety & Security

Attachment: Supplemental Inspection Information

EXECUTIVE SUMMARY

Oceaneering International, Inc.

Oceaneering International, Inc. (Oceaneering) possess an Agreement State license (Louisiana, LA-7396-L01) to perform radiography.

The inspector determined, during an in-office review, that Oceaneering filed an NRC Form 241 in a timely manner but failed to provide the necessary agreement state license and fee payment. Upon reviewing the information submitted by the licensee, the license reviewer determined that Oceaneering International, Inc. had the material in storage and did not yet work in offshore waters prior to submitting an NRC Form 241.

No other issues were identified.

REPORT DETAILS

1 Program Overview (87121)

1.1. Program Scope

Oceaneering International, Inc. (Oceaneering) is authorized under the State of Louisiana Department of Environmental Quality License No. LA-7396-L01, to possess and use byproduct material for industrial radiography operations at temporary job sites in the State of Louisiana.

2 Inspection Findings (87121)

a. Inspection Scope

The inspector performed an in-office review of the reciprocity application submitted by Oceaneering. A phone discussion was held with licensee's Radiation Safety Officer.

b. Observations and Findings

On December 29, 2022, Oceaneering International, Inc., a State of Louisiana licensee, filed an NRC Form 241 describing an initial notification of planned work activities in offshore waters on an offshore production platform, but failed to provide the necessary agreement state license and fee payment. Oceaneering was informed by the license reviewer on December 30, 2022, that the request could not be approved until the NRC received the fee and a copy of their license. On January 9, 2023, the license and proof of payment were received, and reciprocity was approved the same day.

The license reviewer subsequently determined that at the time it submitted the incomplete request for reciprocity for 2023, Oceaneering was still under NRC approval for reciprocity in 2022 and legally had the material in storage in offshore waters. No licensed work was performed prior to receiving renewal approval of their reciprocity. On January 1, 2023, NRC reciprocity expired so the licensed material was no longer legally stored, creating a violation of 10 CFR 150.20(b)(1).

Based on the results of the in-office review, one violation of NRC requirements was identified:

10 CFR 30.3(a) requires, in part, that no person shall receive, acquire, own, possess, or use byproduct material except as authorized in a specific or general license issued in accordance with the regulations in 10 CFR Chapter I.

10 CFR 150.20(a)(1) requires, in part, that any person who holds a specific license from an Agreement State is granted a general NRC license to conduct the same activity in offshore waters subject to the provisions of 10 CFR 150.20(b).

10 CFR 150.20(b)(1) requires, in part, that any person engaging in activities in offshore waters under the general license provisions of 10 CFR 150.20 shall, at least 3 days

before engaging in each activity for the first time in a calendar year, file a submittal containing an NRC Form 241, "Report of Proposed Activities in Non-Agreement States", a copy of its Agreement State specific license, and the appropriate fee with the Regional Administrator of the appropriate NRC regional office.

Contrary to the above, from January 1 through 9, 2023, Oceaneering, a licensee of the State of Louisiana, engaged in activities in offshore waters without filing a submittal containing an NRC Form 241, "Report of Proposed Activities in Non-Agreement States," a copy of its Agreement State specific license, and the appropriate fee with the Region IV Regional Administrator at least 3 days before engaging in each activity for the first time in a calendar year. Specifically, Oceaneering stored licensed material in offshore waters on January 1, 2023, when the 2022 reciprocity expired, but did not submit a copy of its Agreement State radioactive materials license and the appropriate fee until January 9, 2023, for renewal of the reciprocity. Since the licensed material was stored in offshore waters on January 1, 2023, the licensee was required to provide this information to the NRC three days prior to the start of the new calendar year, which was December 29, 2022.

c. Conclusions

The NRC identified one violation regarding Oceaneering's failure to file an initial NRC Form 241 for calendar year 2023, a copy of its Louisiana license and pay the reciprocity fee, prior to engaging in licensed activities in offshore waters beginning on January 1, 2023, as required by 10 CFR 150.20(b)(1). (150-00017/2022-003-01)

3 Corrective Actions

Oceaneering restored compliance by submitting the appropriate information, to include the NRC Form 241, Agreement State License and required reciprocity fee to the NRC on January 9, 2023. The licensee has not provided a summary of its planned comprehensive corrective actions.

4 Exit Meeting Summary

The license reviewer presented the preliminary inspection findings at the conclusion of the in-office review on July 27, 2023 with Josh Cormier, RSO for Olivier. On July 20, 2023, a final telephonic exit meeting was conducted with Josh Cormier.

SUPPLEMENTAL INSPECTION INFORMATION

PARTIAL LIST OF PERSONS CONTACTED

Josh Cormier, Radiation Safety Officer

INSPECTION PROCEDURES USED

87121 Industrial Radiography

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

150-00017/2022-003-01

The failure to file an initial NRC Form 241 prior to engaging in licensed activities in offshore waters

Closed

None

Discussed

None

LIST OF ACRONYMS USED

ADAMS	Agencywide Documents Access and Management System
CFR	<i>Code of Federal Regulations</i>
NRC	U.S. Nuclear Regulatory Commission
RSO	Radiation Safety Officer