



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

December 1, 2023

EA-23-113

Aldru Todd Aaron  
General Counsel  
Empire Wireline, LLC  
P.O. Box 967  
Manvel, TX 77578

SUBJECT: EMPIRE WIRELINE, LLC - NRC INSPECTION REPORT 150-00042/2023-006

Dear Aldru Todd Aaron:

This letter refers to the limited scope inspection conducted remotely from August 15 through November 7, 2023, of licensed activities performed at the U.S. Department of Energy Strategic Petroleum Reserves located in Bryan Mound and Big Hill, Texas, and West Hackberry, Louisiana. The inspection examined activities conducted by Empire Wireline, LLC in areas of exclusive Federal jurisdiction as they relate to compliance with the U.S. Nuclear Regulatory Commission (NRC) rules and regulations. Within these areas, the inspection consisted of an examination of representative records, and interviews with personnel. The enclosed inspection report presents the results of this inspection. A final exit meeting was conducted with Matthew Chitwood, Radiation Safety Officer, on November 7, 2023.

Based on the results of this inspection, one apparent violation was identified and is being considered for escalated enforcement action 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 apparent violation involves the failure to file an NRC Form 241 and receive approval for reciprocity prior to working in exclusive Federal jurisdiction in calendar years 2019 and 2020. The circumstances surrounding this apparent violation, the significance of the issue, and the need for lasting and effective corrective action were discussed with Matthew Chitwood during the final exit meeting on November 7, 2023.

Before the NRC makes its enforcement decision, we are providing you an opportunity to:

- (1) respond in writing to the apparent violation addressed in the inspection report within 30 days of the date of this letter;
- (2) request a predecisional enforcement conference (PEC); or
- (3) request alternative dispute resolution (ADR) mediation. If a PEC is held, it will be open for public observation and the NRC may issue a press release to announce the time and date of the conference. Please contact Dr. Lizette Roldán-Otero, Chief, Materials Inspection Branch, at 817-200-1455 or [Lizette.Roldan-Otero@nrc.gov](mailto:Lizette.Roldan-Otero@nrc.gov) within 10 days of the date of this letter to notify the NRC of your intended response to either provide a written response, participate in a PEC, or pursue ADR. A PEC should be held within 30 days and an ADR session within 45 days of the date of this letter.

If you choose to provide a written response, it should be clearly marked as a “Response to an Apparent Violation in NRC Inspection Report 150-00042/2023-006; EA-23-113” and should include: (1) the reason for the apparent violation or, if contested, the basis for disputing the apparent violation; (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 (or has been) achieved. Your response may reference or include previously docketed correspondence if the correspondence adequately addresses the required response. 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.

Your written response, should you choose to provide one, should be emailed to [R4Enforcement@nrc.gov](mailto:R4Enforcement@nrc.gov) and [Lizette.Roldan-Otero@nrc.gov](mailto:Lizette.Roldan-Otero@nrc.gov) within 30 days of the date of this letter, and hard copies may be sent to: U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, and to Director, Division of Radiological Safety & Security, Region IV, 1600 East Lamar Boulevard, Arlington, Texas 76011. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a PEC.

If you choose to request a PEC, the conference will afford you the opportunity to provide your perspective on these matters and any other information that you believe the NRC should take into consideration before making an enforcement decision. The decision to hold a PEC does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. This conference would be conducted to obtain information to assist the NRC in making an enforcement decision. The topics discussed during the conference may include information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned.

In presenting your corrective actions, you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the apparent violations. 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 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML061240509).

In lieu of a written response or PEC, you may request ADR with the NRC in an attempt to resolve these issues. Alternative dispute resolution is a general term encompassing various techniques for resolving conflicts using a neutral third party. The technique that the NRC has decided to employ is mediation. Mediation is a voluntary, informal process in which a trained neutral mediator works with parties to help them reach resolution. If the parties agree to use ADR, they select a mutually agreeable neutral mediator who has no stake in the outcome and no power to make decisions. Mediation gives parties an opportunity to discuss issues, clear up misunderstandings, be creative, find areas of agreement, and reach a final resolution of the issues.

Additional information concerning the NRC’s ADR program can be obtained at <http://www.nrc.gov/about-nrc/regulatory/enforcement/adr.html>. The Institute on Conflict Resolution at Cornell University has agreed to facilitate the NRC’s program as a neutral third party. Please contact the Institute on Conflict Resolution at 877-733-9415 within 10 days of the date of this letter if you are interested in pursuing resolution of these issues through ADR.

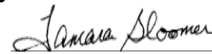
Alternative dispute resolution sessions are not conducted with public observation though the outcome of the ADR agreement is made public.

In addition, please be advised that the number and characterization of the apparent violation described in the enclosed inspection report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

In accordance with Title 10 of the *Code of Federal Regulations* 2.390 of the NRC's "Agency 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 or in the NRC's 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 you have any questions concerning this matter, please contact Dr. Lizette Roldán-Otero of my staff at 817-200-1455.

Sincerely,



Signed by Bloomer, Tamara  
on 12/01/23

Tamara Bloomer, Director  
Division of Radiological Safety & Security

Docket No. 150-00042  
License No. TX-L06997

Enclosure:  
Inspection Report 150-00042/2023-006

cc w/Enclosure:

Jerry Lang, Administrator  
Emergency & Radiological Services Division  
602 N. 5<sup>th</sup> Street Baton Rouge, LA 70802  
[Jerry.Lang@la.gov](mailto:Jerry.Lang@la.gov)

Lisa Bruedigan, Director  
Radiation Section  
Consumer Protection Division  
Texas Department of State Health Services (DSHS)  
Mail Code 1986, P. O. Box 149347  
Austin, Texas 78714-9347  
[Lisa.Bruedigan@dshs.texas.gov](mailto:Lisa.Bruedigan@dshs.texas.gov)

EMPIRE WIRELINE, LLC – NRC INSPECTION REPORT 150-00042/2023-006 – DATED  
DECEMBER 1, 2023

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MBurgess, NMSS  
RTorres, DRSS  
R4-DRSS-MIB  
LHowell, DRSS

ADAMS ACCESSION NUMBER: **ML23305A199**

SUNSI Review:      ADAMS:       Non-Publicly Available      Non-Sensitive      Keyword:  
By: JGK       Yes  No       Publicly Available       Sensitive      NRC-002

OFFICE	RIV:MIB	C:MIB	TL:ACES	RC	OE/EB
NAME	LWardrobe	LRoldan-Otero	JGroom	DCylkowski	PSnyder
SIGNATURE	/RA/ E	/RA/ E	/RA/ E	/RA/ E	/RA/ E
DATE	11/07/2023	11/21/23	11/03/23	11/06/23	11/30/23
OFFICE	D: DRSS				
NAME	TBloomer				
SIGNATURE	/RA/ E				
DATE	12/01/23				

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**U.S. NUCLEAR REGULATORY COMMISSION  
REGION IV**

Docket No.: 150-00042  
License No.: TX-L06997  
Inspection Report No.: 150-00042/2023-006  
EA No.: EA-23-113  
Licensee: Empire Wireline, LLC  
Location Inspected: Remote inspection  
Inspection Dates: August 15 through November 7, 2023  
Exit Meeting Date: November 7, 2023  
Inspectors: Leonardo Wardrobe  
Health Physicist  
Materials Inspection Branch  
Approved by: Lizette Roldán-Otero, PhD  
Chief, Materials Inspection Branch  
Division of Radiological Safety & Security  
Attachment: Supplemental Inspection Information

Enclosure

## **EXECUTIVE SUMMARY**

### **Empire Wireline, LLC NRC Inspection Report 150-00042/2023-006**

On August 15, 2023, the U.S. Nuclear Regulatory Commission (NRC) began a limited scope remote inspection of Empire Wireline, LLC, (Empire) an agreement state licensee authorized to perform well-logging activities in the States of Louisiana and Texas, excluding in areas of exclusive Federal jurisdiction. The corporate office is in Texas. The inspector continued the inspection through November 7, 2023, and examined activities conducted by Empire in areas of exclusive Federal jurisdiction through review of records and interviews with licensee personnel. This report presents the results of the inspection.

#### **Program Overview**

Empire is an agreement state licensee authorized to perform well-logging activities using byproduct material in Louisiana and Texas, excluding in areas of exclusive Federal jurisdiction.

#### **Inspection Findings**

One apparent violation was identified and is being considered for escalated enforcement. The apparent violation involved the failure to file for reciprocity, for calendar years 2019 and 2020, with the NRC prior to working in exclusive Federal jurisdiction at the U.S. Department of Energy, Strategic Petroleum Reserves located at the Bryan Mound and Big Hill, Texas, facilities and at the West Hackberry, Louisiana, facility.

#### **Corrective Actions**

The licensee committed to scrutinizing federal contracts to ensure that they understand if the location of proposed licensed activities is located in exclusive Federal jurisdiction and, if so, to apply for reciprocity as required by Title 10 of the *Code of Federal Regulations* (10 CFR) 150.20.

## REPORT DETAILS

### 1 Program Overview (Inspection Procedure (IP) 87123)

Empire Wireline, LLC, (Empire or licensee) is a licensee of the State of Texas and the State of Louisiana, authorized to perform well-logging operations using byproduct material in those states, excluding in areas of exclusive Federal jurisdiction.

### 2 Inspection Overview (IP 87123)

#### 2.1 Inspection Scope

On August 15, 2023, the NRC began a limited scope remote inspection of Empire with continued review through November 7, 2023. The inspection examined licensed activities and compliance with the NRC regulations, interviews with licensee personnel and examination of representative records.

#### 2.2 Background

During an inspection of a different NRC licensee at a U.S. Department of Energy Strategic Petroleum Reserve (SPR) facility located in Bryan Mound, Texas, the inspector identified that Empire had previously performed well-logging operations using radioactive byproduct material at the Bryan Mound, Texas, SPR facility. Identification of these activities led the inspector to conduct a remote inspection of Empire where, upon further review of Empire records, the inspector identified that Empire performed well-logging activities using radioactive byproduct material at the Bryan Mound, Texas, facility on June 4, 2019, July 16, 2019, and February 26, 2020; at the Big Hill, Texas, facility on August 29, 2019; and at the West Hackberry, Louisiana, facility on December 3, 2019. During calendar years 2019 and 2020, Empire failed to file for reciprocity with the NRC.

### 3 Observations and Findings (IP 87123)

#### 3.1 Observations

One apparent violation of NRC requirements was identified. The apparent violation involves the failure to file an NRC Form 241 "Report of Proposed Activities in Non-Agreement States, Areas of Exclusive Federal Jurisdiction, or Offshore Waters" and receive approval for reciprocity prior to working in exclusive Federal jurisdiction in calendar years 2019 and 2020.

#### 3.2 Findings

During the inspection of Empire, the inspector identified that the licensee performed well-logging activities using radioactive byproduct material at the SPR Bryan Mound, Texas, facility on June 4, 2019, July 16, 2019, and February 26, 2020; at the SPR Big Hill, Texas, facility on August 29, 2019; and at the SPR West Hackberry, Louisiana, facility on December 3, 2019, and failed to file reciprocity to work in those facilities, which were areas of exclusive Federal jurisdiction.

### 3.3 Apparent Violation of 10 CFR 150.20(b)(1)

Title 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 areas of exclusive Federal jurisdiction within Agreement States subject to the provisions of 10 CFR 150.20(b).

Title 10 CFR 150.20(b)(1) requires, in part, that any person engaging in activities in areas of exclusive Federal jurisdiction within Agreement States 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, on June 4, July 16, August 29, and December 3, 2019, and on February 26, 2020, Empire Wireline, LLC, a licensee of the State of Texas and the State of Louisiana, engaged in activities in areas of exclusive Federal jurisdiction within Agreement States and failed to 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 NRC Regional Office at least 3 days before engaging in each activity for the first time in a calendar year. Specifically, for calendar years 2019 and 2020, the licensee performed activities at the U.S. Department of Energy, Strategic Petroleum Reserves facilities located in Bryan Mound and Big Hill, Texas, and West Hackberry, Louisiana and failed to submit an NRC Form 241, a copy of its Agreement State specific license, and the appropriate fee with the Regional Administrator of the NRC Region IV office.

The licensee's failure to file for reciprocity was identified as an apparent violation of 10 CFR 150.20(b)(1). (150-00042/2023-006-01)

## **4 Corrective Actions**

The licensee stated that they would further scrutinize federal contracts to ensure the jurisdiction of the facility is known for jurisdiction determinations and if needed to contact the NRC for assistance in determining jurisdiction.

## **5 Exit Meeting Summary**

On November 7, 2023, a telephonic exit meeting was conducted with the Radiation Safety Officer of Empire Wireline, LLC. The licensee acknowledged the apparent violation and did not dispute the details presented during the exit meeting.



**Supplemental Inspection Information**

**PARTIAL LIST OF PERSONS CONTACTED**

Matthew Chitwood, Radiation Safety Officer

**INSPECTION PROCEDURE USED**

IP 87123 – Well Logging and Tracer Study Programs

**ITEMS OPENED, CLOSED, AND DISCUSSED**

Opened

150-00042/2023-006-01      AV      Failure to file for reciprocity for activities in NRC jurisdiction. (10 CFR 150.20(b)(1))

Closed

None

Discussed

None

**LIST OF ACRONYMS USED**

10 CFR	Title 10 of the <i>Code of Federal Regulations</i>
ADAMS	Agencywide Documents Access and Management System
ADR	Alternate Dispute Resolution
AV	Apparent Violation
DOE	U.S. Department of Energy
IP	Inspection Procedure
NRC	U.S. Nuclear Regulatory Commission
PEC	Predecisional Enforcement Conference
SPR	Strategic Petroleum Reserve