



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, ILLINOIS 60532-4352

April 15, 2024

Brian Wright, RA Supervisor, Secretary,
Treasurer, Vice President, and Owner
Michigan Wireline Services, Inc.
PO Box 782
Mt. Pleasant, MI 48804-0782

SUBJECT: WRITTEN CONSENT TO TRANSFER OF CONTROL AND AMENDMENT NO. 8
TO RADIOACTIVE MATERIALS LICENSE FOR MICHIGAN WIRELINE
SERVICES, INC., NRC LICENSE NO. 21-25931-01

Dear Brian Wright:

Enclosed is Amendment No. 8 in accordance with Michigan Wireline Services, Inc.'s (your) U.S. Nuclear Regulatory Commission (NRC) Materials License No. 21-25931-01 October 20, 2023, letter, requesting consent to a transfer of control, including to update the Radiation Safety Officer (RSO), and other items affected by the change of control. Your letter is available electronically from the NRC's Agencywide Documents Access and Management System (ADAMS) at Accession No. ML24017A072. The NRC's ADAMS is accessible from the NRC Web site at <https://www.nrc.gov/reading-rm/adams.html>.

In your October 20, 2023, letter, Brian Wright, Vice President to Michigan Wireline Services, Inc. (licensee), submitted to the Nuclear Regulatory Commission (NRC) a request for written consent to a proposed indirect transfer of control of NRC license number 21-25931-01 from owner Dennis McConahy (transferor) to owners Jared Pifer, Gary Jones, Brian Wright, and Ron Horning (transferee). In accordance with Section 184 of the Atomic Energy Act of 1954, as amended (AEA), and Title 10 of the *Code of Federal Regulations* (10 CFR) Section 30.34, the NRC consents to the transfer.

NRC license number 21-25931-01 authorizes the oil and gas well-logging use of byproduct material in accordance with 10 CFR Part 30. By letter dated October 20, 2023, Michigan Wireline Services, Inc., requested written consent to the indirect transfer of control of its license from the NRC. Because the license was issued under 10 CFR Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material," the NRC must find that the transfer is in accordance with the provisions of the AEA and, if so, must give its consent in writing prior to the transfer, in accordance with Section 184 of the AEA and 10 CFR 30.34(b). Additionally, the NRC staff reviewed the direct transfer of control request using the guidance in NUREG-1556, Volume 15, Revision 1, "Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," dated June 2016.

The enclosure to this letter contains sensitive security-related information.
When separated from this cover letter this letter is uncontrolled.

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10 CFR 30.34(b) states:

- (1) No license issued or granted pursuant to the regulations in [parts 30] through 36, and 39 nor any right under a license 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.
- (2) An application for transfer of license must include:
 - (i) The identity, technical and financial qualifications of the proposed transferee; and
 - (ii) Financial assurance for decommissioning information required by 10 CFR 30.35.

As required by 10 CFR 30.34 and section 184 of the Atomic Energy Act of 1954, as amended (the Act), NRC staff has reviewed the application and finds that the direct transfer of control is in accordance with the Act. As described in ADAMS accession number ML24017A072, under a proposed asset purchase, the transferor will sell its assets – that engage in the business of oil and gas well logging – to the transferee. As a result of the proposed transaction, the NRC licensee will be under the transferee. At the time of the request, the transaction date was unspecified. Via letter dated March 13, 2024, the transferee provided confirmation that the transfer had occurred on November 22, 2023. The additional information letter is available electronically from the NRC's ADAMS at Accession Nos. ML24080A077.

The NRC staff finds that the licensee request adequately provides a complete and clear description of the proposed transaction, consistent with 10 CFR 30.34(b) and Chapter 5 and Appendix E of NUREG-1556, Volume 15, Rev. 1. The sufficiency of the description is evaluated below.

The request for an indirect transfer of control was posted for public comment on the NRC website for 30 days in accordance with 10 CFR Part 2, Subpart M and as described in NRC's Regulatory Issue Summary 2014-08, Revision 1. No comments were received from members of the public.

In reviewing the request for an indirect transfer of control, the NRC staff determined that Michigan Wireline Services, Inc., is not required to have financial assurance for decommissioning based on the types and amounts of material authorized in NRC license number 21-25931-01. The NRC staff finds that the licensee's request adequately provided information for financial assurance for decommissioning, consistent with 10 CFR 30.34(b) and Chapter 5 and Appendix E of NUREG-1556, Volume 15, Revision 1. Further, the NRC conducted an inspection of Michigan Wireline Services, Inc., on March 23, 2023, and violations identified were limited to a single Severity Level IV violation, for which the licensee committed to implementing reasonable corrective actions. From August 3, 2005, to May 18, 2018, the NRC conducted seven additional inspections, in which no additional violations of NRC requirements were identified.

Additionally, as described in its request, the transferee:

- A. commits that it will not change the locations, facilities, and equipment authorized in the NRC license;
- B. commits that it change neither the radiation safety program authorized in the NRC license nor other procedures that relate to the licensed program;

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- C. stated that the company name will not change; and
- D. commits that it will keep regulatory required surveillance records and decommissioning records.

Based on these commitments, the NRC staff finds that the licensee's request adequately documents the constraints, license conditions, requirements, representations, and commitments made by the transferee, consistent with 10 CFR 30.34(b) and Chapter 5 and Appendix E of NUREG-1556, Volume 15, Rev. 1.

The NRC staff used the guidance provided by the NRC's Office of Nuclear Material Safety and Safeguards' "Checklist to provide a basis for confidence that radioactive materials will be used as specified on the application," January 29, 2019, revision. The purpose of this checklist is for the NRC to obtain reasonable assurance from new license applicants or NRC licensees transferring control of licensed activities that the licensed material will be used for its intended purpose and not for malevolent use. Therefore, for security purposes, the licensee has provided sufficient information for the NRC to reach a basis for confidence that licensed material will be used as intended.

An environmental assessment for this action is not required because this action is categorically excluded under 10 CFR 51.22(c).

The staff has reviewed the request for a direct transfer of control of NRC license number 21-25931-01. The NRC staff finds that the indirect transfer of control is in accordance with Section 184 of the AEA and 10 CFR 30.34(b) and consents to the transfer.

Please review the enclosed document carefully, and be sure that you understand all conditions. If there are any errors or questions, please contact me at 630-829-9892 or sara.forster@nrc.gov so that our office may provide appropriate corrections and answers.

You will be periodically inspected by NRC. Failure to conduct your program in accordance with NRC regulations, license conditions, and representations made in your license application and supplemental correspondence with NRC will result in enforcement action against you. This could include issuance of a notice of violation; or imposition of a civil penalty; or an Order suspending, modifying, or revoking your license as specified in the NRC Enforcement Policy. Since serious consequences to employees and the public can result from failure to comply with NRC requirements, prompt and vigorous enforcement action will be taken when dealing with licensees who do not achieve the necessary meticulous attention to detail and the high standard of compliance that NRC expects of its licensees.

The NRC's Safety Culture Policy Statement became effective in June 2011. While a policy statement and not a regulation, it sets forth the agency's expectations for individuals and organizations to establish and maintain a positive safety culture. You can access the policy statement and supporting material that may benefit your organization on NRC's safety culture Web site at <https://www.nrc.gov/about-nrc/regulatory/enforcement/safety-culture.html>. We strongly encourage you to review this material and adapt it to your particular needs in order to develop and maintain a positive safety culture as you engage in NRC-regulated activities.

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NRC's Regulatory Issue Summary (RIS) RIS 2005-31 provides criteria to identify security-related sensitive information and guidance for handling and marking of such documents. This ensures that potentially sensitive information is not made publicly available through NRC's ADAMS, the NRC's electronic document system. Pursuant to NRC's RIS 2005-31 and in accordance with 10 CFR 2.390 of the NRC's "Rules of Practice and Procedure," the enclosed license document is exempt from public disclosure because its disclosure to unauthorized individuals could present a security vulnerability. The RIS may be located on the NRC's Generic Communications Web page under "Regulatory Issue Summaries" at <https://www.nrc.gov/reading-rm/doc-collections/gen-comm/>, and the link for frequently asked questions regarding protection of security-related sensitive information may be located at <https://www.nrc.gov/reading-rm/sensitive-info/faq.html>.

A copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the NRC's ADAMS.

Sincerely,

Sara A.
Forster

Digitally signed by Sara
A. Forster
Date: 2024.04.15
11:46:55 -05'00'

Sara A. Forster, MS
Health Physicist
Materials Licensing Branch
Division of Radiological Safety and Security

Docket No.: 030-30649
License No.: 21-25931-01

Control No.: 638591

Enclosure: Amendment No. 8 to NRC License
No. 21-25931-01

cc: Jared Pifer, Owner, Radiation Safety
Officer, Michigan Wireline Services, Inc.,
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