



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

EAO-OIP-2025-0093

April 15, 2025

Daniel Dale  
Chief Operating Officer  
Paragon Energy Solutions, LLC  
7410 Pebble Drive  
Fort Worth, TX 76118

SUBJECT: PARAGON ENERGY SOLUTIONS, LLC - U.S. NUCLEAR REGULATORY  
COMMISSION REVIEW RELATED TO EXPORT OF REACTOR COMPONENTS  
AND APPARENT VIOLATION

Dear Mr. Dale:

This letter refers to the U.S. Nuclear Regulatory Commission (NRC) review of Paragon Energy Solutions, LLC (Paragon) export records conducted from July 2024 through March 2025. The review examined Paragon's export of nuclear components to the United Arab Emirates without an export license. The review was initiated after Paragon submitted a voluntary self-disclosure letter, dated July 3, 2024 (Agencywide Document Access and Management System Accession No. ML24193A053). On November 18, 2024, the NRC submitted a request for additional information to Paragon. By letter, dated January 13, 2025, Paragon provided the additional information (ML25090A093). Subsequently, the NRC conducted additional reviews to determine whether Paragon was in compliance with applicable requirements for exporting nuclear components. On March 31, 2025, Ms. Joanne Savoy of the NRC discussed the preliminary results of this review with you, as documented in the enclosure.

Based on the results of this review, an 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 export of electrical components specifically designed for use in neutron flux monitors, a component covered under paragraph 11 of Appendix A to Title 10 of the *Code of Federal Regulations* (CFR), Part 110, "Export of Nuclear Equipment and Material." This export was not authorized under an NRC general license as required by 10 CFR Part 110. The apparent failure to conduct activities in accordance with the provisions of a general license is significant because it impacts the NRC's ability to conduct regulatory oversight to ensure the safe and appropriate use of nuclear equipment. Since the NRC has not made a final determination in this matter, a Notice of Violation is not being issued at this time. In addition, be advised that the characterization of the apparent violation may change as a result of further NRC review.

Before the NRC makes its enforcement decision, we are providing you an opportunity to (1) respond in writing to the apparent violation addressed in this letter within 30 days of the date of this letter, or

(2) request a Pre-decisional Enforcement Conference (PEC). If a PEC is held, it will be open for public observation and the NRC will issue a press release to announce the time and date of the conference. If you decide to participate in a PEC, please contact Ms. Joanne Savoy at 301-287-9092 or via email at [Joanne.Savoy@nrc.gov](mailto:Joanne.Savoy@nrc.gov) within 10 days of the date of this letter. A PEC should be held within 30 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 - EAO-OIP-2025-0093" 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 achieved. Your response may reference or include previously docketed correspondence if the correspondence adequately addresses the required response. Additionally, your response should be sent to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555- 0001; with a copy mailed to David L. Skeen, Director, Office of International Programs, 11555 Rockville, MD 20852, or via E-mail to [David.Skeen@nrc.gov](mailto:David.Skeen@nrc.gov), within 30 days of the date of this letter. 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 accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure(s), and your response, if you choose to provide one, 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 should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction. Any information forwarded to the NRC should be clearly labeled on the first page with the case reference number: EAO-OIP-2025-0093.

Should you have any questions, please contact Ms. Joanne Savoy at 301-287-9092 or via email at [Joanne.Savoy@nrc.gov](mailto:Joanne.Savoy@nrc.gov).

Sincerely,



Signed by Skeen, David  
on 04/15/25

David L. Skeen, Director  
Office of International Programs

Enclosure:  
Basis for Apparent Violation Being  
Considered for Escalated Enforcement

SUBJECT: PARAGON ENERGY SOLUTIONS LLC - U.S. NUCLEAR REGULATORY  
COMMISSION REVIEW RELATED TO EXPORT OF REACTOR COMPONENTS  
AND APPARENT VIOLATION  
DATED: APRIL 15, 2025

**DISTRIBUTION:**

OIP r/f

A. Ferkile, OIP

A. Jones, OIP

J. Savoy, OIP

J. Peralta, OE

D. Furst, OE

RIDSOEMAILCenterResourse

**ADAMS Accession No.: ML25091A308**

<b>OFFICE</b>	OIP/ECNP	OE	Acting BC:ECNP/OIP
<b>NAME</b>	JSavoy	DFurst	AJones
<b>DATE</b>	04/04/2025	04/07/2025	04/08/2025
<b>OFFICE</b>	OE	OIP: OD	
<b>NAME</b>	JPeralta	DSkeen	
<b>DATE</b>	04/10/2025	04/15/2025	

**OFFICIAL RECORD COPY**

**BASIS FOR APPARENT VIOLATION**  
**BEING CONSIDERED FOR ESCALATED ENFORCEMENT**

On July 3, 2024, Paragon submitted a self-disclosure letter notifying the NRC of five unauthorized exports of components to the United Arab Emirates (UAE). Specifically, on June 3, 2024, a Paragon internal review identified five exports that had occurred from September 2022 to July 2023, for repairs to electrical subcomponents for neutron flux monitoring systems at the Nawah Energy Company (Nawah) located in the UAE. After Paragon completed the repairs, Paragon returned the subcomponents back to Nawah thereby exporting the nuclear components to the UAE without an NRC specific export license.

**Apparent Violation:**

10 CFR 110.5 states, in part, that no person may export any nuclear equipment or materials listed in 10 CFR 110.8, unless authorized by a general or specific licenses issued under 10 CFR Part 110.

10 CFR 110.20(a) states, that a person may use an NRC general license as authority to export or import nuclear equipment or material, if the nuclear equipment or material to be exported or imported is covered by the NRC general licenses described in Sections 110.21 through 110.27. If an export or import is not covered by an NRC general license, a person must file an application for a specific license in accordance with 10 CFR 110.31 through 110.32.

Contrary to the above, on or about September 2022 to July 2023, Paragon exported nuclear equipment listed in 10 CFR 110.8 without an NRC specific license. Specifically, Paragon exported 5 neutron flux monitors to UAE that were not authorized by a general license and without filing an application for a specific license, in accordance with 10 CFR 110.31 through 110.32.