



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

August 24, 2006

John P. McCormick, President
Century Geophysical Corporation
7517 East Pine Street
Tulsa, Oklahoma 74115

SUBJECT: NRC INSPECTION REPORT 030-11376/06-001 AND NOTICE OF VIOLATION

Dear Mr. McCormick:

This refers to the inspection conducted May 9, 2006, through August 8, 2006, at your facilities in Gillette and Sheridan, Wyoming, and at your main office in Tulsa, Oklahoma. This inspection was an examination of activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of the license. Within these areas, the inspection consisted of selected examination of procedures and representative records and interviews with personnel. Preliminary inspection findings were discussed with Mr. Dan Otterholt at the conclusion of the onsite portion of the inspection at Gillette, Wyoming. A final exit briefing was conducted with Mr. Brian Peterson at the conclusion of the Tulsa, Oklahoma, inspection on August 8, 2006.

Based on the results of this inspection, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. The violation was evaluated in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. The current Enforcement Policy is included on the NRC's Web site at www.nrc.gov; select **What We Do, Enforcement**, then **Enforcement Policy**." The violation identified during the inspection is cited in the enclosed Notice of Violation (Notice) and involved the failure to confine the possession and use of byproduct material to those locations listed on your license. The violation is of particular concern because it is a repeat violation from our previous inspection conducted on June 25, 2003. It appears that the corrective actions outlined in your letter dated September 15, 2003, were not adequate to prevent recurrence. This repeat violation is being cited in the Notice because it was identified by the NRC, rather than being self-identified by the licensee.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. For your consideration and convenience, an excerpt from NRC Information Notice 96-28, "SUGGESTED GUIDANCE RELATING TO DEVELOPMENT AND IMPLEMENTATION OF CORRECTIVE ACTION," is enclosed. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

The inspector also determined that, since the last inspection, you had vacated and released two field station locations listed on your license. The inspector reviewed with Messrs. Otterholt and Peterson the importance of requesting an amendment to remove these locations from your

license and waiting to receive the amended license deleting the vacated locations prior to releasing the field stations for unrestricted use.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document 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.

Should you have any questions concerning this inspection or the enclosed Notice, please contact Christi Maier at (817) 860-8217 or Vivian H. Campbell at (817) 860-8287.

Sincerely,

/RA/

Vivian H. Campbell, Chief
Nuclear Materials Inspection Branch

Docket No.: 030-11376
License No.: 35-04017-04

Enclosures:

1. Notice of Violation
2. NRC Information Notice 96-28

cc w/Enclosure 1:
Oklahoma Radiation Control Program Director
Wyoming Radiation Control Program Director

bcc w/enclosure (via ADAMS e-mail distribution):

LDWert

CLCain

VHCampbell

JEWhitten

MCMaier

KEGardin

NMIB

RIV Materials Docket File - 5th floor

SUNSI Review Completed: MCM1 ADAMS: : Yes ☐ No Initials: MCM1
: Publicly Available ☐ Non-Publicly Available ☐ Sensitive : Non-Sensitive

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MCMaier	VHCampbell
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08/18/2006	08/24/2006

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NOTICE OF VIOLATION

Century Geophysical Corporation
Tulsa, Oklahoma

Docket No. 030-11376
License No. 35-04017-04

During an NRC inspection conducted May 9, 2006, through August 8, 2006, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violation is listed below:

10 CFR 30.34(c) requires, in part, that each licensee confine his possession and use of byproduct material to the locations authorized in the license.

License Condition 10 of Materials License 35-04017-04 issued to Century Geophysical Corporation states, in part, that material shall be used only at specified locations in Gillette and Sheridan, Wyoming; and at temporary job sites where the U.S.N.R.C. maintains jurisdiction for regulating licensed material.

Contrary to the above, beginning in January 2006, the licensee has not confined its possession and use of byproduct material to those locations authorized in the license. Specifically, the licensee has stored byproduct material at and dispatched equipment from a new field station located in Gillette, Wyoming, and the new location is not authorized in Materials License 35-04017-04.

This is a repeat violation.

This is a Severity Level IV violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, Century Geophysical Corporation is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555, with a copy to the Regional Administrator, Region IV, 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" and should include for each 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 to avoid further violations, 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 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.

Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>, to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made

Enclosure 1

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). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 24th day of August 2006