

OCT 27 1988

Licenses: 35-00502-03
 35-00502-04G
Dockets: 30-05901/88-02
 30-05902/88-01
EA: 88-218

Halliburton Company
Halliburton Services
ATTN: Alan A. Baker, President
P. O. Box 1431
Duncan, Oklahoma 73536

Gentlemen:

This refers to the inspection conducted by Mr. Lorenzo Wilborn at your facility in Duncan, Oklahoma, on August 4 and 5, 1988, and to the discussion of our findings held by the NRC inspector with members of your staff at the conclusion of the inspection. The results of the inspection were subsequently provided to you in a report dated August 19, 1988.

During this inspection, certain of your activities were found not to be conducted in full compliance with NRC requirements. Consequently, you are required to respond to this matter, in writing, in accordance with the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Your response should be based on the specifics contained in the Notice of Violation enclosed with this letter.

An enforcement conference was held on August 24, 1988, at the Region IV office in Arlington, Texas to discuss the findings of the NRC inspection conducted August 4 and 5, 1988, and the following issues:

- The licensee's commitment to a vigorous audit program.
- The location of radiation safety officer's normal duty station.
- The delegation of the radiation safety officer's responsibilities.
- The jurisdictional authority between NRC Licenses 35-00502-03 and 35-00502-04G.
- The distribution reporting requirements under NRC License 35-00502-04G.

The violations and issues of concern were detailed by the NRC RIV staff, and the licensee responded to each item.

The attendance list for the enforcement conference is enclosed with this letter.

RIV: NMIS *alp*
LWilborn; ap *for*
10/25/88

C: NMIS *alp*
DAPowers
10/25/88

C: NMSB *WZ*
WLFisher
10/26/88

EO *SA*
GFSanborn
10/27/88

BH

Upon further review and consideration, the fact that the licensee did not report pursuant to 10 CFR 32.52 the initial transfer of devices for use under the general license provisions of 10 CFR 31.5 from one division to another within the corporation has been determined by NRC not to be a violation, since such transfers were not initial transfers to another person. Therefore, the first apparent violation under License 35-00502-04G has been deleted.

Also, after further review and consideration, because all the portable density gauging devices in unrestricted areas were determined to be possessed under License 35-00502-03, the second apparent violation under License 35-00502-04G has been deleted.

The response directed by this letter and the accompanying Notice is not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

Original Signed By

William L. Fisher, Chief
Nuclear Materials Safety Branch

Enclosures:

1. Appendix A - Notice of Violation
2. Appendix B - Attendance List

cc w/enclosures:

Oklahoma Radiation Control Program Director

bcc:

DMB - Original (IE-07)

RD Martin

RL Bangart

RE Hall

WL Fisher

LShea, RM/ALF (AR-2015)

GF Sanborn

JL Lieberman

*DA Powers

*Inspector

*NMSB

*MIS System

*RIV Files (2)

*RSTS Operator

*w/766

APPENDIX A

NOTICE OF VIOLATION

Halliburton Company
Duncan, Oklahoma 73536

Dockets: 30-05901/88-02
30-05902/88-01
Licenses: 35-00502-03
35-00502-04G
EA: 88-218

During an NRC inspection conducted on August 4 and 5, 1988, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1988), the violations are listed below:

License: 35-00502-03

1. License Condition 12.A.(1) requires that certain sealed sources, which are specified in Item 7.J, be tested for leakage and/or contamination at intervals not to exceed 3 years. Item 7.J specifies that the licensee may possess Model GT-GHP cesium-137 sealed sources of less than 600 millicuries.

Contrary to the above, the NRC inspector observed on August 5, 1988, that a 19 millicurie cesium-137 sealed source, Model GT-GHP, Serial Number Y060, located in the Tools Research and Engineering Department was last tested for leakage and/or contamination on February 20, 1985, an interval exceeding 3 years.

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

2. License Condition 12.A.(2) requires that sources, which are specified in Item 7.L, be tested for leakage and/or contamination at intervals not to exceed 6 months. Item 7.L specifies that the licensee may possess nickel-63 plated sources.

Contrary to the above, the NRC inspector observed on August 5, 1988, that a 15 millicurie Ni-63 plated source used in a gas chromatograph in the Chemical Research and Development Department was last tested for leakage and/or contamination on June 30, 1987, an interval exceeding 6 months.

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

3. License Condition 18 requires the licensee to conduct a physical inventory every 6 months to account for all sealed sources and/or devices received and possessed under the license.

Contrary to the above, during the inspection the NRC inspector determined that the licensee was not conducting physical inventories of all sealed sources and/or devices possessed at 6-month intervals from June 1987 through August 5, 1988.

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

4. 10 CFR 20.203(f) requires each container of licensed material that is not exempted by paragraph (f)(3) to bear a durable, clearly visible label identifying the radioactive contents. The label shall bear the radiation caution symbol and the words, "CAUTION, RADIOACTIVE MATERIAL" or "DANGER, RADIOACTIVE MATERIAL."

Contrary to the above, the NRC inspector observed that a container housing a cesium-137 source, Serial Number Y060, not exempted by Paragraph(f)(3), located in the Tools Research and Engineering Department did not bear such a label on August 5, 1988.

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

5. 10 CFR 20.207(b) requires that licensed materials in an unrestricted area and not in storage be tended under the constant surveillance and immediate control of the licensee.

Contrary to the above, the NRC inspector observed that several portable density gauging devices containing up to millicurie amounts of licensed material were in unrestricted areas of the Chemical Research Department, Electrical Research Department, and Tools Research and Engineering Department without being tended under the constant surveillance and immediate control of the licensee on August 5, 1988.

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

Pursuant to the provisions of 10 CFR 2.201, Halliburton Company is hereby required to submit to this office, within 30 days of the date of the letter transmitting this Notice, a written statement or explanation in reply, including for each violation: (1) the reason for the violation if admitted, (2) the corrective steps which have been taken and the results achieved, (3) the corrective steps which will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Where good cause is shown, consideration will be given to extending the response time.

Dated at Arlington, Texas,
this 27th day of October, 1988.

APPENDIX B

ATTENDANCE LIST

Attendance at the Halliburton Company - NRC Enforcement Conference on August 24, 1988, at the NRC Region IV office.

Licensee

Alan A. Baker, President
Ron Bechtel, Manager, Government Regulations
Richard A. Leonardi, Radiation Safety Officer

NRC Region IV

Richard L. Bangart, Director, Division of Radiation Safety and Safeguards
William L. Brown, Regional Counsel
William L. Fisher, Chief, Nuclear Materials Safety Branch
Dale A. Powers, Chief, Nuclear Materials Inspection Section
Gary F. Sanborn, Regional Enforcement Officer
Jack E. Whitten, Licensing Specialist
Lorenzo Wilborn, Radiation Specialist