

April 24, 2013

EA-13-067

Mr. Greg Pottorff
President and Radiation Safety Officer
GeoLog Well Services, Inc.
P.O. Box 577
Wayne City, IL 62895

SUBJECT: NRC REPORT NO. 15000012/2013001(DNMS) -
GEOLOG WELL SERVICES, INC.

Dear Mr. Pottorff:

On March 22, 2013, an inspector from the U.S. Nuclear Regulatory Commission (NRC) contacted you concerning well logging activities your company had performed in the State of Indiana. The NRC performed in-office review of information you provided through April 1, 2013, including documentation of the dates worked, documentation of your corrective actions, and your application for future reciprocity during Calendar Year 2013. The enclosed report presents the results of this review.

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 involved the failure to file NRC Form 241 prior to performing well logging services using licensed materials in the State of Indiana, a non-Agreement State, for each calendar year from 2005 through 2013 as required by Title 10 of the Code of Federal Regulations (CFR) 150.20(b)(1).

Since the NRC has not made a final determination in this matter, no Notice of Violation is being issued for this finding at this time. The circumstances surrounding this apparent violation, the significance of the issues, and the need for lasting and effective corrective action were discussed with you at the telephonic exit meeting on April 3, 2013.

Before the NRC makes its enforcement decision, we are providing you an opportunity to either: (1) respond to the apparent violation addressed in the enclosed report within 30 days of the date of this letter; (2) request a Predecisional Enforcement Conference (PEC), or (3) provide no further response. If a conference 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.

Please contact Tamara E. Bloomer at 630-829-9627 within ten days of the date of this letter to notify the NRC of your intended response.

If you choose to provide a written response, it should be clearly marked as "Response to the Apparent Violation in Report No. 15000012/2013001(DNMS); EA-13-067," and should include, for the apparent violation: (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 to avoid further violations; and (4) the date when full compliance will be achieved. 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 violation. The guidance in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful. You can find the information notice on the NRC website at: <http://www.nrc.gov/reading-rm/doc-collections/gen-comm/info-notices/1996/in96028.html>. Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response. 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 the apparent violation and any other information that you believe the NRC should take into consideration before making an enforcement decision. The topics discussed during the conference may include the following: 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 to be taken.

As your facility has not been the subject of escalated enforcement actions within the last two years or two inspections, a civil penalty may not be warranted in accordance with Section 2.3.4 of the Enforcement Policy. In addition, based upon NRC's understanding of the facts and your corrective actions, it may not be necessary to conduct a PEC in order to enable the NRC to make a final enforcement decision.

In addition, please be advised that the number and characterization of apparent violations described in the enclosed 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 "Rules of Practice," a copy of this letter and your response, if you choose to provide one, will be 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 website 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.

G. Pottorff

- 3 -

Please contact Geoff Warren of my staff if you have any questions you have concerning this review. You can reach Mr. Warren at 630-829-9742.

Sincerely,

/RA/

Anne T. Boland, Director
Division of Nuclear Materials Safety

Docket No. 150-00012
General License under 10 CFR 150.20
State of Illinois License No. IL-02277-01

Enclosure:
Report No. 15000012/2013001(DNMS)

cc w/encl: State of Illinois
State of Indiana

G. Pottorff

-3-

Please contact Geoff Warren of my staff if you have any questions you have concerning this review. You can reach Mr. Warren at 630-829-9742.

Sincerely,

/RA/

Anne T. Boland, Director
Division of Nuclear Materials and Safety

Docket No. 150-00012
General License under 10 CFR 150.20
State of Illinois License No. IL-02277-01

Enclosure:
Report No. 15000012/2013001(DNMS)

cc w/encl: State of Illinois
State of Indiana

DISTRIBUTION w/encl:
See next page

*see previous concurrence

ADAMS Accession Number: ML13115A103

DOCUMENT NAME: g:\dnmsiil\work in progress\ltr - geolog well services - choice letter.docx

☒ Publicly Available ☐ Non-Publicly Available ☐ Sensitive ☒ Non-Sensitive

To receive a copy of this document, indicate in the concurrence box "C" = Copy without attach/encl "E" = Copy with attach/encl "N" = No copy

OFFICE	RIII DNMS	C	RIII DNMS	C	RIII EICS	C	RIII DNMS	
NAME	GMWarren:ps*GMW		TEBloomer*TEB		SKOrth:SKO		ATBoland:ATB	
DATE	4/23/2013		4/23/2013		4/24/2013		4/24/2013	

OFFICIAL RECORD COPY

Letter to Mr. Pottorff from Anne T. Boland, dated April 24, 2013.

SUBJECT: NRC REPORT NO. 15000012/2013001(DNMS) – GeoLog Well Services, Inc.

DISTRIBUTION w/encls:

OCADistribution
Bill Borchardt
Michael Weber
Roy Zimmerman
Nick Hilton
Kerstun Day
Marvin Itzkowitz
Mary Spencer
Mark Satorius
Brian McDermott
Michele Burgess
Robert Sun

Daniel Holody
Carolyn Evans
Heather Gepford
Holly Harrington
Hubert Bell
Cheryl McCrary
Seth Coplin
Charles Casto
Cynthia Pederson
Emily Monteith
Anne Boland
Jared Heck

Allan Barker
Harral Logaras
James Lynch
Viktoria Mitlyng
Prema Chandrathil
Patricia Lougheed
Paul Pelke
Magdalena Gryglak
Tammy Tomczak
Tammy Bloomer
MIB Inspectors
OEMAIL

**U.S. Nuclear Regulatory Commission
Region III**

Docket No.	150-00012
General License under	10 CFR 150.20
State of Illinois License No.	IL-02277-01
Report No.	15000012/2013001(DNMS)
EA No./NMED No.	EA-13-067
State of Illinois Licensee:	GeoLog Well Services, Inc.
Facility:	P.O. Box 577 Wayne City, IL 62895
Final Exit Meeting:	April 3, 2013
Inspector:	Geoffrey M. Warren, Health Physicist
Approved By:	Tamara E. Bloomer, Chief Materials Inspection Branch Division of Nuclear Materials Safety

Enclosure

EXECUTIVE SUMMARY

GeoLog Well Services, Inc. NRC Report 15000012/2013001(DNMS)

GeoLog Well Services, Inc. is a well logging company located in Wayne City, Illinois. State of Illinois License No. IL-02277-01 authorizes the company to use americium-241/beryllium and cesium-137 sources in the State of Illinois except in areas of exclusive Federal jurisdiction. On March 22, 2013, a representative of the State of Illinois contacted an NRC Region III materials inspector to notify the NRC that the company had performed well logging services in the State of Indiana, a non-Agreement State.

The inspector identified an apparent violation of Title 10 of the Code of Federal Regulations 150.20(b)(1), which requires Agreement State licensees to file an NRC Form 241, "Report of Proposed Activities in Non-Agreement States," for reciprocity at least three days before working in a non-Agreement State, area of exclusive federal jurisdiction, or offshore waters, every calendar year.

The Region III materials inspector determined that GeoLog Well Services, Inc. had performed well logging activities from August 5, 2005, through March 14, 2013, totaling 305 days over nine calendar years, and had not filed NRC Form 241 prior to the first use of such materials in each calendar year. The root cause of the apparent violation was the company's lack of awareness that the use of licensed materials in the State of Indiana required authorization from the NRC. A contributing factor was the company president/RSO believing that their registration with the State of Indiana was the only authorization needed to work in Indiana under their State of Illinois license.

As corrective action, the company president/RSO: (1) immediately filed NRC Form 241 for Calendar Year 2013, including payment of \$2,300; (2) paid the retroactive reciprocity fees from 2005 through 2012, totaling an additional \$14,100; and (3) stated in a letter dated March 28, 2013, that he now understood the rules and regulations of reciprocity with the NRC and would diligently follow them now and in the future.

Report Details

1 Program Overview

GeoLog Well Services, Inc., (company) of Wayne City, Illinois, possessed a State of Illinois license authorizing company personnel to perform well logging services using americium-241:beryllium (AmBe) and cesium-137 (Cs-137) sealed sources at temporary job sites in the State of Illinois except in areas of exclusive Federal jurisdiction.

2 Use of Licensed Material in Indiana

2.1 Scope of Review

The inspector interviewed the company's president/radiation safety officer (RSO) by telephone and reviewed documents provided by the company concerning work performed by company personnel in Indiana from 2005 through 2013.

2.2 Observations and Findings

On March 22, 2013, a representative of the State of Illinois contacted an NRC Region III materials inspector concerning a recent inspection by the State of Illinois at the company's facility in Wayne City, Illinois. The State of Illinois inspector had noted that company personnel had performed well logging services in Indiana as well as in Illinois.

The Region III materials inspector contacted the company's president/RSO to gather additional information about the work performed in Indiana. The president/RSO stated that he had not been aware of the requirement to either file NRC Form 241, "Report of Proposed Activities in Non-Agreement States," requesting reciprocity for the current year or previous years to authorize such use under a general license, or to have an NRC specific license authorizing use in NRC jurisdiction. Instead, he had contacted the State of Indiana, which had provided him a registration certificate. Based on having received this certificate, he assumed he was authorized to work in Indiana. The president/RSO provided a list of dates that company personnel had worked in Indiana from August 5, 2005, through March 14, 2013, totaling 305 days over nine calendar years.

The company's failure to file NRC Form 241 prior to performing work requiring a license from 2005 through 2013 is an apparent violation of Title 10 of the Code of Federal Regulations (10 CFR), Section 150.20(b)(1), which requires Agreement State licensees to file an NRC Form 241 for reciprocity at least three days before working in a non-Agreement State, area of exclusive federal jurisdiction, or offshore waters, every calendar year.

The root cause of the apparent violation was the company's lack of awareness that the use of licensed materials in the State of Indiana required authorization from the NRC. A contributing factor was the company president/RSO believing that their registration with the State of Indiana was the only authorization needed to work in Indiana under their State of Illinois license.

As corrective action, on March 28, 2013, the company president/RSO: (1) submitted to the NRC Region III office an NRC Form 241 and payment of \$2,300 requesting

reciprocity for calendar year 2013; (2) submitted a check for the combined reciprocity fees for 2005 through 2012 totaling \$14,100; and (3) stated in a letter dated March 28, 2013, that he now understood the rules and regulations of reciprocity with the NRC and would diligently follow them now and in the future. All stated materials were received in the NRC Region III office on April 1, 2013.

2.3 Conclusions

The inspector identified an apparent violation of 10 CFR 150.20(b)(1) concerning the failure to file for reciprocity during calendar years 2005 through 2013 prior to performing licensed activities in the State of Indiana. The company has taken corrective action to address the apparent violation.

3 **Exit Meeting Summary**

The NRC inspector presented final review findings by telephone on April 3, 2012. The president/RSO did not identify any documents or processes reviewed by the inspectors as proprietary. The president/RSO acknowledged the findings presented.

LIST OF PERSONNEL CONTACTED

- * Greg Pottorff, President/Radiation Safety Officer
- * Attended telephonic exit meeting on April 3, 2013