



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

May 19, 2016

EA-16-031

Mr. Danny Young
President and Radiation Safety Officer
Wayne County Well Surveys, Inc.
P.O. Box 421
Fairfield, IL 62837

SUBJECT: NOTICE OF VIOLATION – WAYNE COUNTY WELL SURVEYS, INC.,
NRC SPECIAL INSPECTION REPORT NO. 15000012/2015001(DNMS)

Dear Mr. Young:

This letter refers to a telephone conference between the U.S. Nuclear Regulatory Commission (NRC) and you on November 4, 2015, concerning well logging activities your company had performed in the State of Indiana. The NRC also performed additional in-office review of documentation through February 26, 2016. Based on the NRC review, an apparent violation of NRC requirements was identified. The circumstances surrounding this apparent violation, the significance of the issue, and the need for lasting and effective corrective action were discussed with you and Mr. Ryan Briggs of your staff and Mr. Dennis O'Dowd of my staff on February 26, 2016. Details regarding the apparent violation were provided in NRC Inspection Report No. 15000012/2015001(DNMS) dated March 10, 2016. The inspection report can be found in the NRC's Agencywide Documents Access and Management System (ADAMS) at Accession Number ML16071A194. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

In the letter transmitting the inspection report, we provided you with the opportunity to address the apparent violation identified in the report by: (1) providing a written response; (2) requesting a predecisional enforcement conference, or (3) providing no further response. You provided a written response to the apparent violation in a letter received on March 21, 2016.

Based on the information developed during the NRC review as well as the information you provided in your response received March 21, 2016, the NRC has determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in detail in the subject inspection report. The violation involved your failure, as an Agreement State licensee, to file NRC Form 241 for reciprocity prior to performing well logging services using licensed materials in the State of Indiana, a Non-Agreement State under exclusive federal jurisdiction, for each calendar year from 2013 through 2015, as required by Title 10 of the *Code of Federal Regulations* (CFR) 150.20(b)(1).

The root cause of the violation was your lack of awareness that the use of licensed materials in the State of Indiana required authorization from the NRC. The failure to file for reciprocity is a significant regulatory concern because it impacted the NRC's regulatory process by preventing the NRC from conducting inspections to assure that licensed material was being used safely and in accordance with NRC requirements. Therefore, this violation has been categorized, in accordance with the NRC Enforcement Policy, at Severity Level III.

In accordance with the Enforcement Policy, a base civil penalty in the amount of \$3,500 is considered for a Severity Level III violation.

Because your facility has not been the subject of escalated enforcement actions within the last 2 years, the NRC considered whether credit was warranted for *Corrective Action* in accordance with the civil penalty assessment process in Section 2.3.4 of the Enforcement Policy. The NRC determined that credit was warranted for *Corrective Action*. Specifically, the company submitted NRC Form 241 for the calendar years 2015 and 2016 and paid the applicable fees. Also, during the telephone communications with the NRC staff and in your response to the apparent violation received March 21, 2016, you acknowledged your understanding of the regulations associated with reciprocity with the NRC and committed to follow them in the future.

Therefore, to encourage prompt and comprehensive correction of violations, and in recognition of the absence of previous escalated enforcement action, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty in this case. However, significant violations in the future could result in a civil penalty. In addition, issuance of this Severity Level III violation constitutes escalated enforcement action that may subject you to increased inspection effort.

The NRC has concluded that information regarding: (1) the reason for the violation; (2) the corrective actions that have been taken and the results achieved; and (3) the date when full compliance was achieved is already adequately addressed on the docket in the inspection report and your written response received on March 21, 2016. Therefore, you are not required to respond to the Notice enclosed with this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

D. Young

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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response, if you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room and in ADAMS.

The NRC also includes significant enforcement actions on its Web site at

<http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions>

Sincerely,

/RA/

Cynthia D. Pederson
Regional Administrator

Docket No. 150-00012
General License under 10 CFR 150.20
State of Illinois License No. IL-01804-01

Enclosure:
Notice of Violation

cc: State of Illinois
State of Indiana

NOTICE OF VIOLATION

Wayne County Well Surveys, Inc.
Fairfield, Illinois

Docket No. 150-00012
License No. IL-01804-01
EA-16-031

During a U.S. Nuclear Regulatory Commission (NRC) review completed on February 26, 2016, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

Title 10 of the *Code of Federal Regulations* (10 CFR) 150.20(a) provides, in part, that any person who holds a specific license from an Agreement State is granted an NRC general license to conduct the same activity in Non-Agreement States, provided that the provisions of 10 CFR 150.20(b) have been met.

Title 10 CFR 150.20(b)(1) requires, in part, that any person engaging in activities in Non-Agreement States shall, at least three days before engaging in each activity for the first time in a calendar year, file a submittal containing an NRC Form 241, "Report of Proposed Activities in Non-Agreement States," with the Regional Administrator of the appropriate NRC regional office.

Contrary to the above, between January 18, 2013, and October 16, 2015, Wayne County Well Surveys, Inc., a licensee of the State of Illinois, possessed and used well logging equipment containing licensed materials at temporary job sites in the State of Indiana, a Non-Agreement State, without first filing Form 241 with the NRC. Specifically, the company used these materials in NRC jurisdiction for 11 days in 2013, 3 days in 2014, and 2 days in 2015, without providing the required documentation to the NRC prior to engaging in each activity for the first time in each of these calendar years.

This is a Severity Level III violation (Section 6.9).

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken to correct the violation and to prevent recurrence, and the date when full compliance will be achieved, is already adequately addressed on the docket in Inspection Report No. 15000012/2015001(DNMS) and your written response received March 21, 2016. However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201, if the description herein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation, EA-16-031," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator, Region III, 2443 Warrenville Road, Suite 210, Lisle, IL 60532, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

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.

Enclosure

If you choose to respond, your response will be made available electronically for public inspection in the NRC Public Document Room or in 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>. Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

In accordance with 10 CFR 19.11, you may be required to post this Notice within 2 working days of receipt.

Dated this 19 day of May, 2016.

D. Young

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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response, if you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room and in ADAMS.

The NRC also includes significant enforcement actions on its Web site at

<http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions>

Sincerely,

/RA/

Cynthia D. Pederson
Regional Administrator

Docket No. 150-00012
General License under 10 CFR 150.20
State of Illinois License No. IL-01804-01

Enclosure:
Notice of Violation

cc: State of Illinois
State of Indiana

DISTRIBUTION:

See next page

ADAMS Accession No.: ML16141A069

DOCUMENT NAME: EA-16-031 Wayne County Final Action.docx

OFFICE	RIII		RIII		RIII		D:OE	
NAME	Lambert for Gryglak		McCraw		Giessner		Holahan ¹	
DATE	04/21/16		04/21/16		04/22/16		05/11/16	
OFFICE	RIII		RIII				RIII	
NAME	Skokowski		Pederson					
DATE	05/16/16		05/19/16					

OFFICIAL RECORD COPY

¹ OE concurrence provided via e-mail from K. Norman on May 11, 2016

Letter to Mr. Danny Young from Ms. Cynthia D. Pederson dated May 19, 2016

SUBJECT: NOTICE OF VIOLATION – WAYNE COUNTY WELL SURVEYS, INC.,
NRC SPECIAL INSPECTION REPORT NO. 15000012/2015001(DNMS)

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