



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BOULEVARD
ARLINGTON, TEXAS 76011-4511

April 21, 2020

Ron Blush
Manager US Operations
ProTechnics Division of Core Laboratories LP
6510 West Sam Houston Parkway North
Houston, TX 77041

SUBJECT: PROTECHNICS 030-30429, REQUEST FOR EXEMPTION FROM U.S.
NUCLEAR REGULATORY COMMISSION REGULATION, TITLE 10 *CODE*
OF FEDERAL REGULATIONS, SECTION 39.77

Dear Mr. Blush:

By letter dated April 7, 2020 (Agencywide Documents Access and Management System [ADAMS] Accession No. ML20104C060), in accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 39.91, ProTechnics requested an exemption from the requirements of 10 CFR 39.77.

In its request, ProTechnics stated that a 200 mCi sealed source (Cs-137) became lodged in an offshore oil production well below the production zone on March 31, 2020. ProTechnics described the efforts made to retrieve the source and affirmed that such efforts have been unsuccessful. ProTechnics proposed that, if exempted from the requirements of 10 CFR 39.77(c)(3), it will implement measures to ensure the integrity of the source during production, including requiring the well owner to post a sign at the wellhead detailing information about the source and its location and to contact ProTechnics before any additional major work is performed on the well so that ProTechnics can ensure that the work will not compromise the integrity of the source. Further, ProTechnics proposed it will complete abandonment procedures once production has ended.

The exemption provision in 10 CFR 39.91 states:

The Commission may, upon application of any interested person or upon its own initiative, grant such exemptions from the requirements in this part that it determines are authorized by law and will not endanger life or property or the common defense and security and are otherwise in the public interest.

The U.S. Nuclear Regulatory Commission (NRC) staff reviewed the request in accordance with 10 CFR 39.91 and finds that the criteria contained therein are met. ProTechnics is requesting exemption is the requirement in 10 CFR 39.77(c)(3) which requires licensees to either ensure that abandonment procedures are implemented within 30 days after the sealed source has been classified as irretrievable or request an extension of time if unable to complete the abandonment

procedures. The requested exemption would allow temporary storage of the sealed source in the operator's well and to implement abandonment procedures after production of the well has been completed.

The regulation in 10 CFR 39.91 authorizes granting of exemptions specific to Part 39. The NRC staff has determined that the granting of the requested exemption from 10 CFR 39.77 will not result in a violation of the Atomic Energy Act of 1954, as amended, or the Commission's regulations. The NRC staff, therefore, finds that the granting of the requested exemption is authorized by law.

The NRC staff also finds that the requested exemption will not endanger life or property or the common defense and security and is otherwise in the public interest. The underlying purpose of 10 CFR 39.77(c) is to require notification to the NRC of incidents in which well-logging sources are lost, ruptured, or irretrievable. Notifying the NRC gives the agency the ability to assess the potential impact on the environment, as well as the potential impact on the public. Based on the information provided in the April 7, 2020, request, the NRC staff has determined that temporary storage of the logging tool while producing the well is of low radiological safety risk. Specifically, the lower completion of the wellbore has already been installed and is intact; the depth and position of the sealed source shield it from rupture or other risk to the environment. Additionally, a permanent identification plaque with relevant information about the source, precautions, and contact information will be installed on the production platform at the wellhead. Therefore, the NRC finds that there is no undue risk to public health and safety from granting the requested exemption. Additionally, because the requested exemption does not involve changes to security associated with the source, the NRC staff finds that there will be no impact to the common defense and security by granting the exemption.

Based on the above, the NRC grants the requested exemption from 10 CFR 39.77(c)(3) in accordance with the statements and commitments provided by the licensee. This exemption will remain in effect until the UA03 well, API # 60-817-40561-01, stops producing or is abandoned for production by the owner and will be governed by a license condition and license tie-downs adding this well as a temporary storage location. ProTechnics shall notify the NRC within 15 days of the well no longer being used, in order to request authorization to initiate source abandonment procedures as required by 10 CFR 39.77.

An environmental assessment for this action is not required, because this action is categorically excluded under 10 CFR 51.22 (c)(14)(xi). In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice," a copy of this letter 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 Web site at <https://www.nrc.gov/reading-rm/adams.html>.

R. Blush

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If you have questions, please contact Michelle Simmons at michelle.simmons@nrc.gov or 817-200-1590.

Sincerely,

A handwritten signature in black ink, appearing to read "Heather J. Gepford". The signature is fluid and cursive, with a large, stylized initial "H".

Heather J. Gepford, PhD, CHP, Chief
Materials Licensing and Decommissioning
Branch
Region IV

Docket No.: 030-30429
License No.: 42-26928-01

PROTECHNICS 030-30429, REQUEST FOR EXEMPTION FROM U.S. NUCLEAR
REGULATORY COMMISSION REGULATION, TITLE 10 *CODE OF FEDERAL
REGULATIONS*, SECTION 39.77 DATED - APRIL 21, 2020

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