

*Rare Faurey*

# Independent Wireline Well Loggers Association

A Division of the Association of Energy Service Companies

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September 23, 1996

U.S. Nuclear Regulatory Commission  
Region III  
801 Warrenville Road  
Lisle, Illinois 60532-1351

Attn: Cynthia D. Pederson, Director  
Div. of Nuclear Materials Safety

Re: Shelwell Services, Inc. NRC License 34 10415 01 (Docket 030 05798)

Dear Ms. Pederson:

I and other association members are very unhappy with your September 20, 1996, letter. Again, fundamental facts have been misrepresented in order to put the NRC in the best light as far as the public is concerned. So, unfortunately, most of my letter will be in rebuttal, to set the record straight.

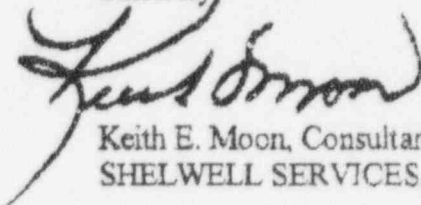
First, Mr. McCormick-Barger and his staff insisted that Shelwell give up their license as part of the conditions for release of their facility. This position was stated in letters as well as phone calls. Due solely to economic conditions, Shelwell reluctantly agreed to terminate their license in order to get the site released. Shelwell's economic condition has been at the very foundation of our negotiations. The 23 sealed sources that are currently in the possession of Shelwell was never an issue in our negotiations. Only when I brought up the subject of a "possession only" license or giving possession of these sources over to the NRC did Mr. McCormick-Barger and staff assume the new position: "You must have misunderstood us, we really do not want Shelwell's license." I know that Mr. McCormick-Barger is aware of how difficult it is to get rid of radioactive sources, and that Shelwell is a lot better off as an operating entity which could remedy the problem of the 23 sources by simply selling the company to another appropriately licensed service company. However, such a sale cannot take place until restrictions on Building 2, the sewer line and the lift station are released from the present operating license. In my negotiations with Mr. McCormick-Barger, I was led to believe that a letter was forthcoming regarding release criteria for Building 2, the sewer line and the lift station, and that the NRC was going to work with Shelwell in a joint effort due to economic hardship to get these stumbling blocks off of the license. What I received, however, was your commentary on NRC policy. Your letter, although it does address the issue agreed upon is completely shrouded in nebulous baggage.

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Ms. Pederson, I will state once again some basic factors that govern the dispensation of the Shelwell problem. (1) This problem has been ongoing since 1982. (2) The radiation surveys of this site show that there is no longer a health or safety hazard. In fact, there are many public facilities in the U.S. which have higher radiation levels than the Shelwell facility. (3) Shelwell has spent over \$750,000.00 in efforts to remediate decontamination of the site, and Shelwell has no monies left, either through insurance, private funds, or corporate earnings. (4) The well logging industry is in the worst depression it has ever been in. Domestic oil production has not been this low since 1943. Rig count is below 700. Shelwell is hanging on by their fingernails. (5) Our association got involved with Shelwell because of the NRC's inability to resolve the contamination issue in a straight forward manner, due primarily to constantly changing regulations, changes in NRC personnel, and an attitude of indifference and distrust among NRC personnel. As an end result of this, both myself and the Sheltons are very distrustful of the NRC, especially Region III. (6) Our association took our issues directly to Washington in an effort to move the resolution of this problem forward. I sincerely hope it is not going to be necessary to go back to Washington for their support.

In conclusion, I am requesting that you restate for clarification purposes, as simply as possible, the position you are proposing to take regarding the pending Shelwell decon procedures. If the clarifying correspondence is received as requested, we are prepared to move forward with the resolution of this problem in the most expedient method practical. Should you have any questions pertaining to this request, please contact me.

Sincerely,



Keith E. Moon, Consultant for  
SHELWELL SERVICES, INC

KEM:pm

cc: Clyde Shelton  
Shelwell Services