



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV

611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

October 22, 1996

M. Kohlhauff, Director, Quality/Safety
Sperry-Sun Drilling Services, Inc.
P.O. Box 60070
Houston, Texas 77205

SUBJECT: NRC INSPECTION 030-29470/96-01 AND NOTICE OF VIOLATION

Dear Mr. Kohlhauff:

On September 23, 1996, the NRC completed an inspection at your facility in Houston, Texas. The inspection findings were discussed with you and your staff at the conclusion of the inspection. A telephonic exit briefing was later conducted with Mr. Richard Arsenault of your staff on October 1, 1996.

During this inspection, one violation was identified. The violation involved a failure to perform annual field audits for logging supervisors for calendar year 1995 in accordance with 10 CFR 39.13 (d). Specifically, your staff at the Anchorage, Alaska, location failed to perform field performance inspections of two logging supervisors assigned to the Deadhorse office during calendar year 1995. The violation is cited in the enclosed Notice of Violation (Notice). Please note that you are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further action is necessary to ensure compliance with regulatory requirements.

During the inspection, the inspector also reviewed controls established for small reference/calibration sources (containing microcurie quantities of cesium-137) used in your logging tools. Based on discussion with your staff, it appeared that there was some confusion about whether these sources were subject to the same inventory and reporting requirements as are the larger sources used for well logging procedures. This subject was reviewed with Mr. Arsenault during the telephonic exit briefing on October 1, 1996. Our review of this matter has determined that regulatory requirements found in 10 CFR Part 39 and in your license apply to both your well logging sources and the calibration sources specifically listed in your license. In order to exclude these latter sources you would be required to request and receive approval for an exemption to the requirement in 10 CFR 39.37 and 39.77 for these sources.

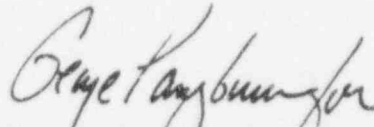
In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure(s), and your response will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction.

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Sperry-Sun Drilling Services, Inc.

Should you have any questions concerning this inspection, please contact Mr. Richard A. Leonardi, Jr., at (817) 860-8187, or Ms. Linda L. Howell at (817) 860-8213.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ross A. Scarano".

Ross A. Scarano, Director
Division of Nuclear Materials Safety

Docket No.: 030-29470
License No.: 42-26844-01

Enclosure:
Notice of Violation

cc w/enclosure:
Texas Radiation Control Program

Sperry-Sun Drilling Services, Inc.

bcc w/encl. to DMB (IE01)

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Sperry-Sun Drilling Services, Inc.

bcc w/encl. to DMB (IE01)

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CLCain

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