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December 13, 1996

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

VIA FAX (301) 415-3725
and U.S. Express Mail

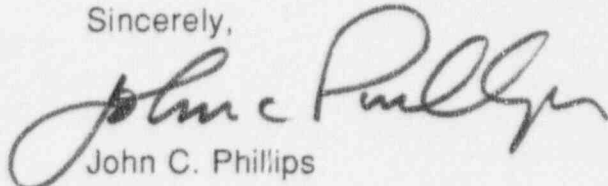
Re: Western Industrial X-Ray Inspection Company, Inc.
Docket No. 030-32190
License No. 49-27356-01

Dear Sirs:

Enclosed is the Response to Notice of Violation of Western Industrial X-Ray Inspection Company, Inc., responding to a Notice of Violation dated November 15, 1996. I am enclosing copies of all relevant documents.

Should you have any questions please let me know.

Sincerely,


John C. Phillips

JCP/sa
Enclosures

cc: Nuclear Regulator Commission
Regional Administrator
Region IV
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011
FAX # (817) 860-8188

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RESPONSE TO NOTICE OF VIOLATION

Western Industrial X-Ray
Inspection Company, Inc.
Evanston, Wyoming

Docket: 030-32190
License: 49-27356-01

Alleged Violation #1: Audit not performed within 6 months of resuming NRC-licensed activities.

(1) Reason for Violation: WIX resumed NRC-licensed activities on December 22, 1995. In an effort to comply with the requirement of the "Final Initial Order" entered by the NRC Atomic Safety and Licensing Board on November 16, 1995, WIX's RSO, Ray Heath, initiated steps to make arrangements for the audit in early February, 1996. In this regard it should be noted that WIX personnel were unaware of auditors acceptable to the NRC, as WIX had not previously had occasion to have such audits performed. NRC personnel notified Mr. Heath that there was no list of entities approved to perform such audits and that WIX would have to propose an auditor to be approved by the NRC. Mr. Heath, in attempting to find an auditor, was placed in contact with Ms. Sue Engelhardt of Engelhardt & Associates, 2800 S. Fish Hatchery Road, Madison, WI 53711. Ms. Engelhardt assured Mr. Heath that her firm had performed several audits which had required NRC approval and that she believed that her firm would be approved for the WIX audit. Mr. Heath, believing that he had procured an acceptable auditor, proceeded in a prudent manner. He wrote a letter to Ms. Engelhardt on February 23, 1996 (copy attached), wherein he provided information so that an audit proposal could be drafted. This letter specifically stated that the audit would need to be completed and submitted to the NRC by June 1, well within the time frame. On March 8, 1996, John C. Phillips wrote a letter to Ms. Linda Howell of the NRC (copy

attached) confirming a telephone conversation of the same day. The letter confirmed that audit requirement, indicated that WIX was "eager to get the audit process in motion", and included information regarding Engelhardt & Associates in order that such entity might be approved to perform the audit. At such time WIX was operating under the assumption that Engelhardt and Associates, given its previous extensive contacts with the NRC, would be approved. By letter dated April 23, 1996, (copy attached) Mr. Ross A. Scarano of the NRC notified Mr. Phillips that Engelhardt & Associates was not approved to perform the audit. This rejection had been previously communicated to Mr. Heath by telephone. Upon learning of the rejection, Mr. Heath immediately commenced a search for another possible auditor. On April 25, 1996, Mr. Phillips sent a letter via FAX and U.S. mail to Ms. Howell, (copy attached) proposing that Robert E. Cameron of Hellier & Associates be approved to perform the audit. Biographical information was attached. The letter indicated a desire to get the audit set up in compliance with the NRC order. On May 14, 1996 additional information regarding Mr. Cameron (copy attached) was sent to Ms. Howell. On May 23, 1996, Mr. Scarano mailed a letter to Mr. Phillips (copy attached) indicating that Mr. Cameron and William J. Norton, also of Hellier & Associates, were approved to perform the audit. Upon receiving such letter, Mr. Heath immediately contacted Mr. Cameron to get the audit set up. Mr. Cameron was then required to submit an audit plan to the NRC for approval. This process further delayed setting up the audit. Unfortunately, due to the time frame involved in getting the audit plan approved, prior commitments by Mr. Cameron, and Hellier & Associates requirement that payment in full be tendered prior to scheduling the audit, neither Mr. Cameron nor Mr. Norton could perform the audit until August 13, 1996. Ms. Howell was notified of the time problem and

was at all times kept informed of when the audit would be performed. The audit was thus completed 52 days after contemplated in the Order. WIX acknowledges that the audit was performed after the six month requirement but does not believe that such should be written up as a violation, as all reasonable efforts were made to have the audit timely performed.

(2) Corrective Steps Taken: No corrective steps can be taken to correct the fact that the audit was not performed within six months.

(3) Avoidance of Further Violations: WIX will assure that audit time requirements are met in the future and will set up such audits with Mr. Cameron in a timely manner.

(4) Date Full Compliance Will Be Achieved: Compliance with the audit requirement has been achieved.

Alleged Violation #2: Failure by WIX to provide NRC with a written response to findings of August 13, 1996 audit within 30 days of receiving audit report.

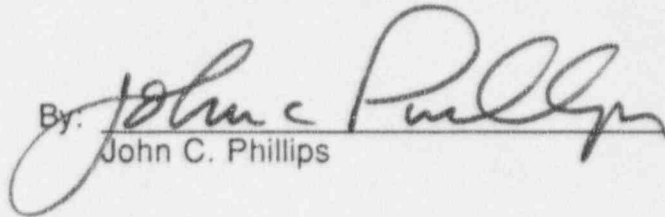
(1) Reason for Violation: Failure of Mr. Heath to understand that such a response was necessary when audit was basically uneventful, with minor violations only noted.

(2) Corrective Steps Taken: Upon learning from Ms. Howell of the necessity to respond to the audit findings, Mr. Heath, on October 28, 1996, (copy attached) immediately faxed and mailed such a written response to Ms. Howell.

(3) Avoidance of Further Violations: Mr. Heath is now aware of this requirement and will assure that a written response is immediately provided after future audits.

(4) Date Full Compliance Will Be Achieved: Full compliance has been achieved.

WESTERN INDUSTRIAL X-RAY
INSPECTION COMPANY, INC.

By: 
John C. Phillips



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

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

November 15, 1996

EA 96-448

Mr. John C. Phillips, Esq.
Western Industrial X-Ray Inspection Company, Inc.
P.O. Box 514
Evanston, Wyoming 82931

SUBJECT: NOTICE OF VIOLATION

This refers to a report dated August 22, 1996, documenting the findings of an audit of Western Industrial X-Ray Inspection Company, Inc.'s (WIX) radiation safety program. The audit, performed by Hellier and Associates, Inc., was the first of several program audits required under the Final Initial Order, Attachment A, "Stipulation for Settlement of Proceedings" (Order), issued by an NRC Atomic Safety and Licensing Board on November 16, 1995. We have reviewed the audit report in conjunction with a recent NRC inspection of WIX's radiation safety program. The inspection findings were previously documented and provided to you in an NRC Form 591 at the conclusion of the September 10, 1996, inspection.

Based on our review of the audit report and information obtained during telephone discussions between Ms. Linda Howell of this office and Mr. Raymond Heath, Radiation Safety Officer for WIX, the NRC has identified a failure to comply with the conditions of the Order. Specifically, the Order specified, among other items, that at approximately 3 months, and no later than 6 months, after WIX resumed NRC licensed activities, an audit of WIX's radiation safety program was to be performed by an independent auditor approved by the NRC. The auditor was to provide copies of all draft and final audit reports to the NRC at the same time that such reports were provided to WIX. Additionally, WIX was to provide to the NRC a written response to any audit findings within 30 days of WIX's receipt of the audit reports. The specified responses are to include a description of any actions taken in response to the audit findings or, alternatively, an explanation of why actions were not taken.

Our September 10, 1996, inspection determined that WIX resumed an NRC licensed activity on December 22, 1995, yet the initial audit was not completed until August 13, 1996, approximately 8 months after WIX resumed operations. In addition, as Ms. Howell noted during a telephone conversation with Mr. Heath on October 25, 1996, the NRC had not yet received a written response from WIX regarding findings documented in the August 22, 1996, audit report. This issue was identified as a violation and 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 enforcement action is necessary to ensure compliance with regulatory requirements.

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You are also reminded that Item 7 of the Order discusses enforcement actions that the NRC may exercise if WIX fails to comply with the terms of the Order. Specifically, failure to comply with the terms of the Order constitutes a material breach of the Order and may result in immediate revocation or suspension of WIX's license. However, we note that actions taken by WIX to comply with other conditions of the Order have been verified through information submitted by WIX to the NRC Region IV office, through communications with WIX personnel, and during our recent inspection. Thus, WIX's failure to complete the initial program audit and to provide a written response to the audit findings within the time period specified in the Order has been categorized as a Severity Level IV violation. However, you are advised that future failures to comply with the conditions of the Order may result in significant enforcement action, including immediate revocation or suspension of the license.

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).

Should you have any questions concerning this letter, please contact Ms. Linda L. Howell at (817) 860-8213.

Sincerely,



Ross A. Scarano
Division of Nuclear Materials Safety

Docket: 030-32190
License: 49-27356-01

Enclosure: Notice of Violation

cc w/enclosure:
Wyoming Radiation Control Program Director

ENCLOSURE

NOTICE OF VIOLATION

Western Industrial X-Ray Inspection
Company, Inc.

Docket: 030-32190

Evanston, Wyoming

License: 49-27356-01

During an NRC review of Western Industrial X-Ray Inspection Company, Inc.'s (WIX), compliance with the Final Initial Order, Attachment A, "Stipulation for Settlement of Proceedings" issued by an NRC Atomic Safety and Licensing Board on November 16, 1995, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (NUREG-1600), the violation is listed below:

The NRC Atomic Safety and Licensing Board "Final Initial Order", dated November 16, 1995 on the cover page, requires in item 5 of Attachment A, "Stipulation For Settlement of Proceedings" that WIX retain the services of an outside independent auditor to perform an initial radiation safety program audit at about 3 months, and no later than 6 months, following the resumption by WIX of NRC-licensed activities. Additionally, the Order requires that WIX provide the NRC a written response to the findings of audits specified under the Order within 30 days after WIX received a report of each program audit.

Contrary to the above, WIX resumed license activities on December 22, 1995, and an audit of WIX's radiation safety program was not performed until August 13, 1996, a period in excess of 6 months. Further, as of October 25, 1996, the NRC had not received from WIX a written response to the initial audit.

This is a Severity Level IV violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, Western Industrial X-Ray Inspection Company, Inc., is required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with a copy to the Regional Administrator, Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the 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. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

Because your response will be placed in the NRC Public Document Room (PDR), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR and provide the legal basis to support your request for withholding the information from the public.

Dated at Arlington, Texas
this 15th day of November 1996

5354 Hwy 89 North • P. O. Box 488



Evanson, WY 82931 • (307) 709-0777

October 28, 1996

Regional Administrator
NRC Region IV
611 Ryan Plaza Drive, Ste. 400
Arlington, TX 76011-8064

RE: License No. 49-27356-01; Docket No. 030-32190

Dear Sir:

This letter is to acknowledge the audit of Western Industrial X-Ray Inspection Co. by Mr. Robert Cameron of Hellier & Associates on August 13, 1996 and to provide a written response to the findings of that audit. Corrective actions are described below.

Radiation Safety Program: W.I.X. Inspection Company has strived to maintain its radiation safety program according to company standards and NRC requirements. W.I.X. Inspection Company is pleased that Mr. Cameron found no nonconformance items. Concerning the observation where the Assistant RSO conducted a field audit of an assistant radiographer during which operation he was the radiographer in charge, W.I.X. Inspection has adopted the following policy.

"Because of the limited number of personnel, W.I.X. Inspection will continue to have the Assistant RSO conduct field inspections of subordinate personnel for training and safety purposes only. To prevent further occurrences of the observation of August 13, only field inspections conducted while the RSO/Assistant RSO is not a participating radiographer will be submitted as the company's official quarterly inspection. All field inspections will be documented for training purposes, but only those used to satisfy NRC requirements as specified in 10 CFR 34.11(d) will be labeled as such official inspections."

W.I.X. Inspection operates under the nontypical condition of having one of its radiographers approved by the NRC, and named on the license, to act as Assistant RSO. Therefore, for safety reasons, W.I.X. Inspection still considers any inspection performed by the Assistant RSO/ Radiographer to be a valid part of its radiation safety program.

Field Audit of Radiographer Lance Atkin: Concerning the field audit, the auditor found that the radiographer had initialed, rather than affix his signature to, the daily job sheet. In reviewing W.I.X. Inspection Company's O&E manual, it was noted the requirement for a signature was to avoid having the radiographer print his name to establish the authenticity of the report. Although initialling a report is not printing, it is not considered a full signature. All W.I.X. Inspection radiographers/

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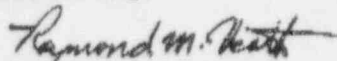
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Regional Administrator, NRC Region IV

assistant radiographers have been cautioned to affix their full signatures to the daily job sheet. This O&E manual requirement was in conjunction with recording the daily pocket dosimeter readings. W.I.X. Inspection is in the process of revising its Daily Radiation Job Sheet to a format where all pertinent information, such as personal dosimeter readings, are recorded on the sheet and the radiographer will put his signature on the bottom of the sheet. The line on the bottom of the sheet will specifically state "Radiographer Signature". This was a point of confusion with the previous job sheets because the space provided simply stated "Radiographer/Assistant" with no reference to the requirement for a signature. Paragraph 10.4.9(h) of the O&E manual will be updated to conform to the format of the revised daily job sheet. Until the new sheets are used, eliminating this problem, the radiographer will affix his signature to the current job sheet.

W.I.X. Inspection Company is pleased with the overall results of this audit and will implement the above corrective actions effective immediately.

Sincerely,



Raymond M. Heath
RSO, WIX Inspection

License No: 49-27356-01
Docket No: 030-32190