

Deit. 7/24/83
Jenn W. Smith
JWS

STAFF EXHIBIT 3

BOOKED

85 JUL 27 P4:45

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE ADMINISTRATIVE LAW JUDGE IVAN W. SMITH

In the Matter of)	
REICH GEO-PHYSICAL, INCORPORATED)	License No. 25-18304-01
1019 Arlington Drive)	Docket No. 30-14821
Billings, Montana 59101)	ASLBP No. 85-508-01-OT
)	EA-84-78

AFFIDAVIT OF BARBARA J. KAY

I, Barbara J. Kay, depose and say as follows:

1. I am the Chief, Administrative Management Section, Division of Resource Management and Administration in the NRC Region IV office in Arlington, Texas. Included in the duties of the Administrative Management Section is the maintenance of the official NRC docket files for those Commission licensees holding nuclear material licenses issued pursuant to 10 CFR Part 30.
2. The ^{(11) IWS.} ~~12~~ documents listed in ^{Appendix IWS.} ~~Attachment~~ 1 to this affidavit are filed in the public record of the official NRC docket file maintained by NRC Region IV for Reich Geo-Physical, Inc., License No. 25-18304-01, Docket No. 30-14821.
3. I state that the copies of the 12 documents listed in Attachment 1 and attached hereto, are true and accurate copies of the records

maintained by NRC Region IV in the public record described in paragraph 2 above.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on July 22, 1985

Barbara J. Kay

Barbara J. Kay

APPENDIX
~~ATTACHMENT 1~~

1. NRC License No. 25-18304-01 issued March 1, 1979.
2. License Application of Reich Geo-Physical, Inc. dated August 8, 1978.
3. Letter from Reich Geo-Physical, Inc. to Joseph M. Brown, Jr.,
License Management Branch, Division of Fuel Cycle and Material
Safety, Office of Nuclear Material Safety and Safeguards, NRC, dated
January 30, 1979.
4. Letter and Notice of Violation issued to Reich Geo-Physical, Inc.,
dated May 18, 1981.
5. Letter from Karl V. Seyfrit, NRC Region IV Director to Reich
Geo-Physical, Inc., dated May 21, 1981.
6. Letter from Keith A. Reich, Reich Geo-Physical, Inc., to D.B.
Spitzberg, NRC Region IV, dated August 11, 1981 (executed August
19, 1981).
7. Form NRC-241, "Report of Proposed Activities in Non-Agreement States"
submitted to NRC Region IV by Reich Geo-Physical, Inc., dated June
12, 1981.
8. Letter from Glen D. Brown, Chief, Technical Inspection Branch, NRC
Region IV to Reich Geo-Physical, Inc., dated June 25, 1981.
9. Letter, Notice of Violation and Proposed Imposition of Civil Penalty
issued to Reich Geo-Physical, Inc., dated August 22, 1984.
10. Response of Reich Geo-Physical, Inc. to Notice of Violation and
Proposed Imposition of Civil Penalty, dated September 8, 1984.
11. Letter, Order Imposing Civil Monetary Penalty and Appendix issued
to Reich Geo-Physical, Inc. dated October 31, 1984.
12. ~~NRC Inspection Report No. 30-14821/84-01 dated August 23, 1984~~

U. S. NUCLEAR REGULATORY COMMISSION
MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter 1, Parts 30, 31, 32, 33, 34, 35, 36, 40 and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s); and to import such byproduct and source material. This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954 as amended, and is subject to all applicable rules, regulations and orders of the Nuclear Regulatory Commission, now or hereafter in effect and to any conditions specified below.

Licensee		
1. Faith Geo-Physical	3. License number	25-18304-01
2. 1010 Arlington Drive Billings, Montana 59101	4. Expiration date	March 31, 1984
	5. Docket or Reference No.	
6. Byproduct, source, and/or special nuclear material	7. Chemical and/or physical form	8. Maximum amount that licensee may possess at any one time under this license
A. Cesium 137	A. Sealed source (Cobra Industries Model VN(FP) or Gulf Nuclear Model CSV)	A. 1 source of 125 millicuries

9. Authorized use

A. To be used for well logging.

CONDITIONS

10. Licensed material may be used at the licensee's address stated in Item 2 above and at temporary job sites of the licensee throughout the States of Montana and Wyoming.
11. The licensee shall comply with the provisions of Title 10, Chapter 1, Code of Federal Regulations, Part 19, "Notices, Instructions and Reports to Workers; Inspections" and Part 20, "Standards for Protection Against Radiation."
12. Licensed material shall be used by, or under the supervision and in the physical presence of, Faith A. Fick.

ATTACHMENT I

MATERIALS LICENSE

Supplementary Sheet

License Number 25-18304-01

CONDITION

Docket or
Reference No. _____

(continued)

12. (1) Each sealed source containing licensed material, other than Hydrogen 3, with a half-life greater than thirty days and in any form other than gas shall be tested for leakage and/or contamination at intervals not to exceed six months. In the absence of a certificate from a transferor indicating that a test has been made within six months prior to the transfer, a sealed source received from another person shall not be put into use until tested.
- (2) The periodic leak test required by this condition does not apply to sealed sources that are stored and not being used. The sources excepted from this test shall be tested for leakage prior to any use or transfer to another person unless they have been leak tested within six months prior to the date of use or transfer.
- D. The test shall be capable of detecting the presence of 0.005 microcurie of radioactive material on the test sample. The test sample shall be taken from the sealed source or from the surfaces of the device in which the sealed source is permanently mounted or stored or which one might expect contamination to accumulate. Records of leak test results shall be kept in units of microcuries and maintained for inspection by the Commission.
- E. If the test reveals the presence of 0.005 microcurie or more of removable contamination, the licensee shall immediately withdraw the sealed source from use and shall cause it to be decontaminated and repaired or to be disposed of in accordance with Commission regulations. A report shall be filed within 5 days of the test with the U. S. Nuclear Regulatory Commission, Region IV, Office of Inspection and Enforcement, 611 Ryan Plaza Drive, Suite 1000, Arlington, Texas 76012, describing the equipment involved, the test results, and the corrective action taken.
- F. Tests for leakage and/or contamination shall be performed by the licensee or by other persons specifically authorized by the Commission or an Agreement State to perform such services.
14. Sealed sources containing licensed material shall not be opened.
15. The licensee shall report by telephone within 24 hours to the nearest U. S. Nuclear Regulatory Commission Office of Inspection and Enforcement the loss or potential abandonment down-hole of any sealed source containing licensed material. In addition, a written report shall be submitted within 30 days for the lost or abandoned source which shall include information regarding isotope, amount, location, depth, method of immobilization, sealing, placarding, and notations to be placed in public records.

U. S. NUCLEAR REGULATORY COMMISSION
MATERIALS LICENSE
Supplementary Sheet

Page 2 of 3 Pages

License Number 25-18034-01

Docket or
Reference No. _____

CONDITIONS

(continued)

16. The licensee may transport licensed material or deliver licensed material to a carrier for transport in accordance with the provisions of Title 10, Code of Federal Regulations, Part 71, "Packaging of Radioactive Material For Transport."
17. Except as specifically provided otherwise by this license, the licensee shall possess and use licensed material described in Items 6, 7, and 8 of this license in accordance with statements, representations, and procedures contained in application dated August 8, 1978 and letter dated January 30, 1979.

Date MAR 1 1979

For the U. S. Nuclear Regulatory Commission
Original Signed By
JOSEPH M. BROWN, JR.
by _____
License Management Branch

Division of Fuel Cycle and
Material Safety
Washington, D.C. 20555

Brown/W

Em 1

Form AEC-313
(2-73)
10 CFR 30

UNITED STATES ATOMIC ENERGY COMMISSION
APPLICATION FOR BYPRODUCT MATERIAL LICENSE

Form approved
August Bureau No. 38-80027

INSTRUCTIONS.—Complete items 1 through 16 if this is an initial application or an application for renewal of a license. Information contained in previous applications filed with the Commission with respect to items 8 through 15 may be incorporated by reference provided references are clear and specific. Use supplemental sheets where necessary. Item 16 must be completed on all applications. Mail two copies to: U.S. Atomic Energy Commission, Washington, D.C., 20545, Attention: Materials Branch, Directorate of Licensing. Upon approval of this application, the applicant will receive an AEC Byproduct Material License. An AEC Byproduct Material License is issued in accordance with the general requirements contained in Title 10, Code of Federal Regulations, Part 30, and the licensee is subject to Title 10, Code of Federal Regulations, Part 20, and the license fee provisions of Title 10, Code of Federal Regulations, Part 170. The license fee category should be stated in item 16 and the appropriate fee enclosed. (See Note in Instruction Sheet).

1. (a) NAME AND STREET ADDRESS OF APPLICANT. (Institution, firm, hospital person, etc. include ZIP Code and telephone number.) REICH GEO-PHYSICAL 1019 Arlington Drive Billings, Montana 59101		(b) STREET ADDRESS(ES) AT WHICH BYPRODUCT MATERIAL WILL BE USED. (If different from 1(a), include ZIP Code.) Montana and Wyoming 30-14821 L+L 18304. 03110	
2. DEPARTMENT TO USE BYPRODUCT MATERIAL REICH GEO-PHYSICAL		3. PREVIOUS LICENSE NUMBER(S). (If this is an application for renewal of a license, please indicate and give number.) N/A	
4. INDIVIDUAL USER(S). (Name and title of individual(s) who will use or directly supervise use of byproduct material. Give training and experience in items 8 and 9.) Keith A. Reich, Owner		5. RADIATION PROTECTION OFFICER. (Name of person designated as radiation protection officer if other than individual user. Attach resume of his training and experience as in items 8 and 9.) Keith A. Reich	
6. (a) BYPRODUCT MATERIAL. (Element and mass number of each.) Cesium 137		(b) CHEMICAL AND/OR PHYSICAL FORM AND MAXIMUM NUMBER OF MILLICURIES OF EACH CHEMICAL AND/OR PHYSICAL FORM THAT YOU WILL POSSESS AT ANY ONE TIME. (If sealed source(s), also state name of manufacturer, model number, number of sources and maximum activity per source.) 1 Sealed Source Cesium 137 125 Millicuries Gamma Ind. VD-HP or Gulf Nuclear CSV	
<div>Applicant..... Check No. 415 / 460 Amount Fee Category 4150(5A) + \$270 Type of Fee Application / App Date Check Rec'd 9/8/78 / 10/17/78 Received By Jackson Jackson</div>		<div>RECEIVED BY LFMB Date SEP 11 1978 Loc SEPT. PG. 1. New By BROWN Ctg To Action Compl. 10/17/78</div>	

7. DESCRIBE PURPOSE FOR WHICH BYPRODUCT MATERIAL WILL BE USED. (If byproduct material is for "human use," supplement A (Form AEC-313a) must be completed in lieu of this item. If byproduct material is in the form of a sealed source, include the make and model number of the storage container and/or device in which the source will be stored and/or used.)

Well Logging (see attached sheet)

COPIES SENT TO OFF. OF
INSPECTION AND ENFORCEMENT

ATTACHMENT 2
50204

TRAINING AND EXPERIENCE OF EACH INDIVIDUAL NAMED IN ITEM 4 (Use supplemental sheets if necessary)

B. TYPE OF TRAINING	WHERE TRAINED	DURATION OF TRAINING	ON THE JOB (Circle answer)	FORMAL COURSE (Circle answer)
a. Principles and practices of radiation protection	ICN Pharmaceuticals Consolidation Coal	1/11&12, 77 9/72-3/78	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
b. Radioactivity measurement standardization and monitoring techniques and instruments	ICN Pharmaceuticals Consolidation Coal	1/11&12, 77 9/72-3/78	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
c. Mathematics and calculations basic to the use and measurement of radioactivity	ICN Pharmaceuticals Consolidation Coal	1/11&12, 77 9/72-3/78	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
d. Biological effects of radiation	ICN Pharmaceuticals Consolidation Coal	1/11&12, 77 9/72-3/78	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No

9. EXPERIENCE WITH RADIATION (Actual use of radioisotopes or equivalent experience.)

ISOTOPE	MAXIMUM AMOUNT	WHERE EXPERIENCE WAS GAINED	DURATION OF EXPERIENCE	TYPE OF USE
Ra-226	3MCI	Consolidation Coal	9/72 to 3/78	Well
AM/BE241	500MCI	Billings, Montana	3/77 to 3/78	Logging

10. RADIATION DETECTION INSTRUMENTS (Use supplemental sheets if necessary.)

TYPE OF INSTRUMENTS (Include make and model number of each)	NUMBER AVAILABLE	RADIATION DETECTED	SENSITIVITY RANGE (mr/hr)	WINDOW THICKNESS (mg/cm ²)	USE (Monitoring, surveying, measuring)
Ludlum Model 2	2	Gamma Ray	0.1-50 Mr./Hr.	N/A	Surveying Monitoring

11. METHOD, FREQUENCY, AND STANDARDS USED IN CALIBRATING INSTRUMENTS LISTED ABOVE

Ludlum Model 2 will be calibrated by ICN Pharmaceuticals every 6 months.

12. FILM BADGES, DOSIMETERS, AND BIO-ASSAY PROCEDURES USED. (For film badges, specify method of calibrating and processing, or name of supplier.)

ICN Pharmaceuticals, Inc.
2727 Campus Drive
Irvine, California 92715

INFORMATION TO BE SUBMITTED ON ADDITIONAL SHEETS IN DUPLICATE

13. FACILITIES AND EQUIPMENT. Describe laboratory facilities and remote handling equipment, storage containers, shielding, fume hoods, etc. *Explanatory sketch of facility is attached. (Circle answer)* ☒ Yes ☐ No See attached sheet for diagram of storage container. Container will be securely bolted to the floor of the truck.
14. RADIATION PROTECTION PROGRAM. Describe the radiation protection program including control measures. If application covers sealed sources, submit leak testing procedures where applicable, name, training, and experience of person in charge, leak tests, and arrangements for performing initial radiation survey, servicing, maintenance and repair of the source. See attached sheet
15. WASTE DISPOSAL. If a commercial waste disposal service is employed, specify company. Otherwise, submit detailed description of methods which will be used for disposing of radioactive wastes and estimates of the type and amount of activity involved. See attached sheet

CERTIFICATE (This item must be completed by applicant)

16. THE APPLICANT AND ANY OFFICIAL EXECUTING THIS CERTIFICATE ON BEHALF OF THE APPLICANT NAMED IN ITEM 1, CERTIFY THAT THIS APPLICATION IS PREPARED IN CONFORMITY WITH TITLE 10, CODE OF FEDERAL REGULATIONS, PART 30, AND THAT ALL INFORMATION CONTAINED HEREIN, INCLUDING ANY SUPPLEMENTS ATTACHED HERETO, IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF.

License Fee Category 190.00 3E

Fee Enclosed \$ 190.00

Date August 8, 1978

REICH GEO-PHYSICAL

Applicant named in item 1

By: Keith A. Reich

Owner
Title of certifying official

WARNING.—18 U. S. C., Section 1001; Act of June 25, 1948; 62 Stat. 749; makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

7. The sealed source will be attached to and forming part of scintillation type gamma ray probe 1 11/16" in diameter by 7' long. The probe will be lowered into an exploratory drill hole by wireline cable for the purpose of obtaining ultimate density of geological formations within the area of the drill hole.

14. Radiation protection program will be managed by Keith A. Reich. Leak tests will be performed every six (6) months. ICN Pharmaceuticals will be used to perform the leak test with kit #LT-1. The following procedure will be used:

1. Alconox powder will be dissolved in 10 ml of water.
2. Swab "A" will be dipped into detergent solution and used to wipe the source container. It will then be replaced in plastic, from which it was removed, and securely fastened.
3. Swab marked "B" will be used to wipe the container in the same manner without dipping it into the water. Swab "B" will be replaced in plastic, from which it was removed and sent to ICN Pharmaceuticals.

Keith A. Reich with formal training from ICN Pharmaceuticals (see detailed training, item 8 of AEC-313) and on the job experience with Consolidation Coal 1972-1978, will perform all leak tests and also keep daily survey records, and personnel exposure records on file.

Radioactive material (CS137-125MCI) will be stored in storage container marked with appropriate signs (see attached diagram) at all times. Vehicle and restricted areas expected to achieve 2 Mr./Hr. will be labeled with "Caution-Radiation Area" signs. Radioactive material will be transported by company vehicle placarded with 6"x28" yellow background and black letters reading "Radioactive".

The source will be attached to the logging tool with the use of remote handling tools supplied by Gearhart Owen Industries utilizing minimum amount of time and maximum distance. Same procedure will be practiced while removing source from logging tool.

In the event of a vehicle accident, a survey of the area will be taken of the area with the Ludlum Model 2. If source is damaged, the area will be roped off to minimize the exposure to persons in the area, and the proper authorities will be notified to remove and make proper disposal of the source.

95204

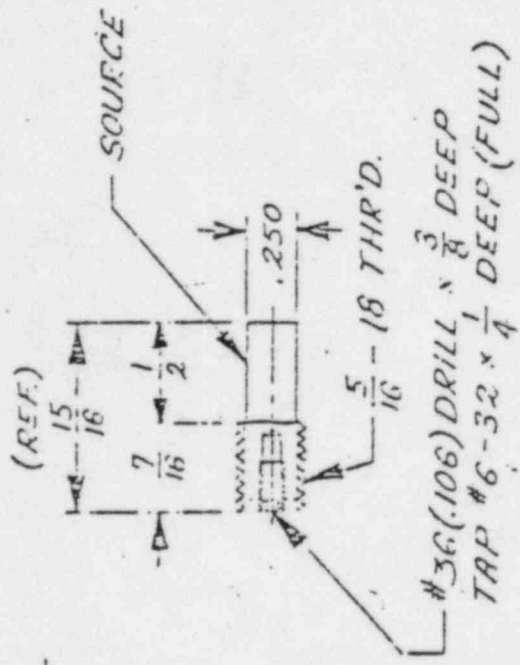
14. Continue

If a source is lost downhole, every possible effort will be made to retrieve it with fishing tools designed for the drill rig. If we are not able to retrieve the source, authorities will be notified and the hole will be filled with cement to specified limits of the surface.

15. If at anytime a source is damaged and disposal is required it will be sent (in adequate container) to ICN Pharmacueticals, 2727 Campus Drive, Irvine, California 92715 for disposal.

15-2011-43

FOR
W-.062 WIDE X $\frac{1}{16}$ DEEP SLOT
(4 PL.) 90° APERT



TOLERANCES UNLESS NOTED OTHERWISE

(DECIMAL $\pm .008$) (FRACTIONAL $\pm 1/64$) (ANGULAR $\pm 1/16^\circ$)

DIAMETERS CONCENTRIC TO $\pm .005$ T.I.R.
FINISH MARK V INDICATES POLISH FINISH
SHARP SHARP EDGES WITH $1/8$ RADIUS



GEARHART-OWEN INDUSTRIES, INC.
BOX 1936 • FORT WORTH, TEXAS 76101

MATL: 4145

HEAT TREAT: 32 MIN. RC

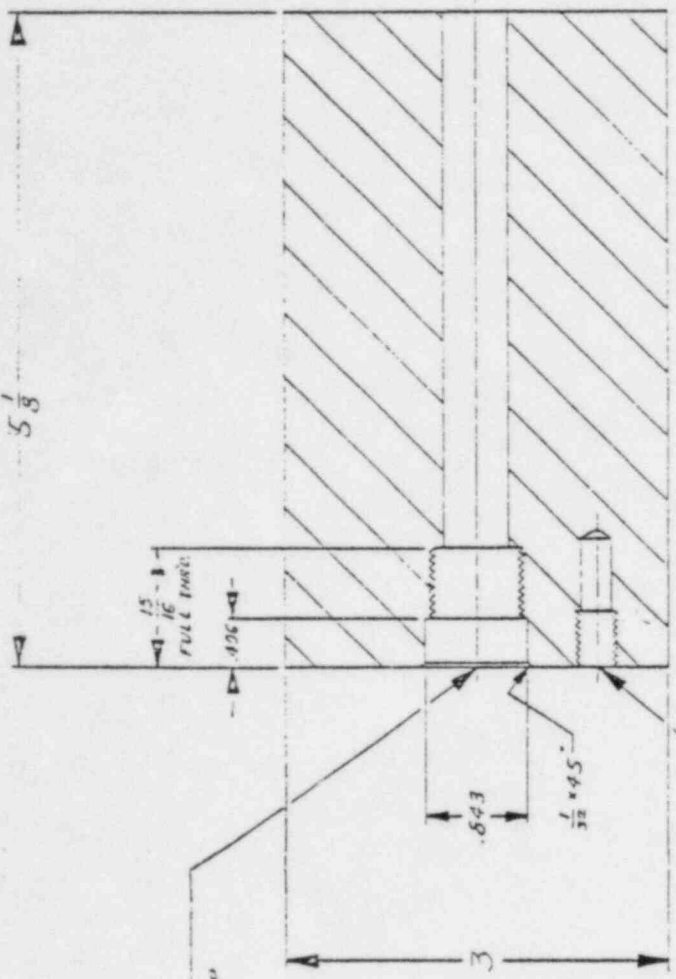
SCALE: FULL

DATE: 9-12-75

DRAWN BY: [Signature]

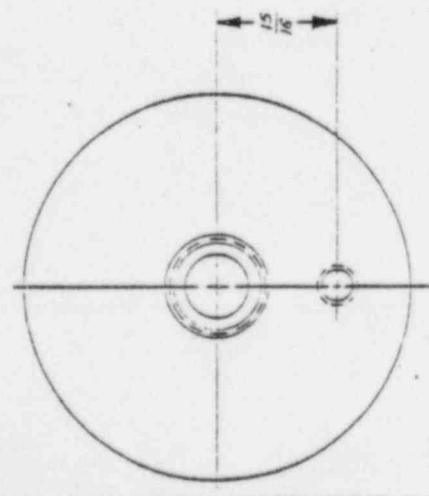
APPROVED BY: [Signature]

SOURCE 125 MC CS137
(THREADED TYPE)



1/8 DRILL THRU
 .687 DIA C-BORE x 1/8 DEEP
 TAP 1/4-16 AS SHOWN

F (257) DRILL x 1" DEEP
 TAP 3/16-18 x 2" DEEP FULL



02-9908-36

GEARHART-OWEN INDUSTRIES, INC.
 BOX 1314 • FORT WORTH, TEXAS 76101

TOLERANCES UNLESS NOTED OTHERWISE
 DECIMAL & FRACTIONAL DIMENSIONS UNLESS OTHERWISE SPECIFIED
 FRACTIONS CONSIDERED TO BE IN INCHES UNLESS OTHERWISE SPECIFIED
 DIMENSIONS OF HOLES ARE TO BE DRILLED TO THE TOLERANCE SPECIFIED

INSERT, SOURCE MATERIAL
(SOURCE 125 MC CS 134)
F.O.D. - 55-127 SHIPPING DRAWING

DATE: 5-24-78 OF EG. ALUM.
 SCALE: FULL
 DATE: 10-8-78
 DRAWN BY: [Signature]
 APPROVED BY: [Signature]

02-9908-25 PLATE

02-9908-27 TOP PLATE

LEAD

02-9908-29 INNER CONTAINER

02-9908-30 BOTTOM PLATE

02-9908-26 LID

LEAD

LEAD

02-9908-28 OUTER CONTAINER

02-9908-31 STUD (2 REQ'D)

1-13 WING NUT (2 REQ'D) (15-1613-04)

02-9908-32 HANDLE

02-9908-55
FEDERAL SAFETY

SEAL

SPEC-7A-127
RADIOACTIVE
MATERIAL
GOI

02-9908-34
IDENTIFICATION TAG

NOTE 1

ASSEMBLY WITH W/ PUSTOLEUM #924
FEDERAL SAFETY SUPPLY
OR ORION SAFETY SUPPLY
GOLOS SUPPLY #211798

90264

TOLERANCES UNLESS NOTED OTHERWISE

BEARHART-OWEN INDUSTRIES, INC.
1001 10th - 10th Bldg. - 10th St. - 10th St.

ASSEMBLY

02-SS-127 SHIPPING CONTAINER

DATE: 11-15-73
BY: 11-15-73
FULL
11-15-73

Reich Geo-Physical

1019 Arlington Drive
Billings, Montana 59101
Res. [406] 252-9428

0388

January 30, 1979

United States Nuclear Regulatory Commission
Attn: Mr. Joseph M. Brown, Jr.
Control No. 96264
License Management Branch
Division of Fuel Cycle & Material Safety
Washington D. C. 20555

Dear Mr. Brown:

This is in reference to your letter dated December 12, 1978 requiring additional information to complete my application for the use of sealed sources in well logging operations.

1. Storage facilities at 1019 Arlington Drive are to include; When not being used in field applications source will be stored in the source holder insert, which is placed inside the shipping container (drawing enclosed in original application) and securely padlocked and chained across safety latch to prevent entry. This container is placed in a 2'x3' enclosed 6" concrete block housing, posted with "Caution-Radition Area" signs. The doors of the building (garage) will also be posted with radiation signs, and also locked at all times. Radiation levels at the concrete housing will not exceed 1.7 MR/hr. Storage in company vehicle; Source shipping container (drawing enclosed in original application) will be securely bolted to the right rear of the vehicle, and also padlocked and chained to prevent entry by unauthorized personnel. Vehicle will be posted on all four sides with "Caution-Radiation Area" signs, and locked at all times.
2. Frequency of exchange for personnel monitoring devices; Film badges are evaluated monthly for x-ray and gamma radiation exposure by!
ICN Dosimetry Service
26201 Miles Road
Cleveland, Ohio 44128
Film badges are designed to evaluate whole body and extremity exposure.
3. Attached are the Daily Usage Records and also the Daily Survey Records to be used for recording field information after the source is put into operation. Leak tests shall be performed by Keith A. Reich and recorded every 6 months by ICN Pharmaceuticals.

COPIES SENT TO OFF. OF
INSPECTION AND ENFORCEMENT

ATTACHMENT 3

4. Description of survey program: Surveys of the well site, logging tools, personnel and vehicle shall be conducted upon completion of each well site with Ludlum 2 Geiger Counter, to detect any contamination of the area. Leak test wipes shall also be surveyed to insure low-range activity before being mailed.
5. Procedures to be followed in the event a source is lost down hole. Authorities will be notified; Management (Keith A. Reich), State Health Officials (applicable state) and Region IV, USNRC.
Office of Inspection & Enforcement
611 Ryan Plaza Drive
Suite 1000
Arlington, Texas 76012

Every effort shall be made with tools designed for retrieving of lost or lodged tools by the drill rig located on the site. If all efforts fail, hole shall be sealed to State and/or Government specifications. If these two agencies do not state specific requirements, the hole shall be filled with cement from bottom to within 2' of the surface (to include area where source is lodged) and capped with a 10' joint of steel casing projecting 2' above the surface with exposed end capped. The cap shall be permanently marked with date of loss, source (isotope), activity, and approximate depth it was lodged at.

Your prompt review of this application will be very much appreciated.

Sincerely yours,

Keith A. Reich

Reich Geo-Physical
Keith A. Reich

Enclosures:

1. Daily Usage Records
2. Daily Survey Records

KAR/lr

Daily Survey Records

0388

Source Serial # _____ Activity _____ MCI

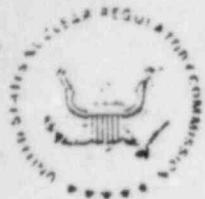
[illegible]

Daily Usage Records

Source Serial # _____

Activity _____ MCI

[illegible]



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
511 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76011

May 18, 1981

License No. 25-18304-01

SA

Reich Geo-Physical
ATTN: Keith Reich
1019 Arlington Dr.
Billings, MO 59101

Gentlemen:

This refers to the routine safety inspection conducted by Mr. D. B. Spitzberg of this office on April 14, 1981, of the activities authorized by NRC Byproduct Material License No. 25-18304-01 and to the discussion of our findings held by the inspector with you at the conclusion of the inspection.

The inspection was an examination of the activities conducted under the license as they relate to radiation safety and to compliance with the Commission's rules and regulations, and the conditions of the license. The inspection consisted of selective examinations of procedures and representative records, interviews of personnel, independent measurements and observations by the inspector.

During this inspection certain of your activities were found not to be conducted in full compliance with NRC requirements. One of these violations involved the possession of radioactive materials not authorized by the license. This violation issued under the guidelines of 45 FR 66754 is normally a Severity Level III violation under Supplement VII.C.2 and generally leads to a Proposed Notice of Civil Penalty. However, in this case, since the actual threat to the health and safety of the public is not in question, the severity level has been reduced to that of a Level IV violation. Consequently, you are required to respond to this matter in writing in accordance with the provisions of Section 2.201 of the NRC "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Your response should be based on the specifics contained in the Notice of Violation attached to this letter and the last paragraph of your letter should include a statement equivalent to the following:

"I certify that all information contained in this letter, including any supplements attached thereto, is true and correct to the best of my knowledge and belief."

Date

Signature

Title

This signature should be notarized.

ATTACHMENT 4

Reich Geo-Physical

-2-

Should you have any questions concerning this letter, we will be pleased to discuss them with you.

Sincerely,

Glen D. Brown, Chief
Technical Inspection Branch

Enclosures:

1. Notice of Violation
2. 45 FR 66754

NOTICE OF VIOLATION

Reich Geo-Physical

Docket No. 30-14821
License No. 25-18304-01

As a result of the inspection conducted on April 14, 1981, and in accordance with the attached Interim Enforcement Policy, 45 FR 66754 (October 7, 1980), the following violations were identified:

1. License Conditions 6, 7, 8, and 9 authorize only the possession of one 12 mCi Cs-137 sealed source for use in well logging.

Contrary to this limitation, a 15.5 mCi Am-241 sealed source, in addition to the Cs-137 source was in your possession at the time of the inspection.

This is a Severity Level IV violation (Supplement VII.C.2).

2. License Condition 17 requires, in part, that the licensee shall possess and use licensed material described in the license in accordance with statements, representations, and procedures contained in application dated August 8, 1978. Item 11 of the license application states that calibration of the GM survey meters will be performed at six month intervals by ICN Pharmaceuticals.

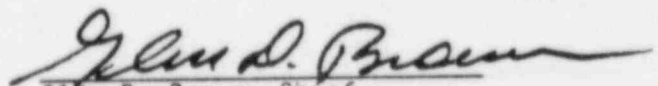
Contrary to this requirement, of the two GM survey meters in the licensee's possession, one was last calibrated February 1978 and the other March 1980.

This is a Severity Level V violation (Supplement VII.E).

Pursuant to the provisions of 10 CFR 2.201, Reich Geo-Physical is hereby required to submit to this office within 25 days of the date of this Notice, a written statement or explanation in reply, including: (1) the corrective steps which have been taken and the results achieved; (2) the corrective steps which will be taken to avoid further violations; and (3) the date when full compliance will be achieved. Under the authority of Section 182 of the Atomic Act of 1954, as amended, this response shall be submitted under oath or affirmation.

Dated _____

5/18/81


Glen D. Brown, Chief
Technical Inspection Branch

5/21/81

License No. 25-18304-01

Reich Geo-Physical
ATTN: Keith Reich
1019 Arlington Dr.
Billings, MO 59101

Dear Mr. Reich:

This refers to the telephone conversation between yourself and Mr. D. B. Spitzberg of this office on May 18, 1981, regarding your possession of radioactive material not authorized by your NRC license.

Regarding the matter discussed, we understand that you have undertaken or will undertake the following actions:

- (1) Apply for an amendment to your license to add to your possession limits the 15.5 mCi Am-241 sealed source. (Contact: Material Licensing Branch 301-427-4228).
- (2) Place the Am-241 sealed source in safe storage and discontinue its use until such time that:
 - (a) you receive the amended license authorizing its possession and use, or,
 - (b) you submit a completed form NRC-241 (enclosed) and allow three days prior to continuing use.

If our understanding of your planned actions as described above is not in accordance with the actual plans and action being implemented, please contact this office immediately.

Sincerely,

Original signed by
K. Seyfrit

Karl V. Seyfrit
Director

ATTACHMENT 5

Hq Concurrence - Ralph Meyer 5/20/81 DBS

OFFICE	TIB-RIVIERE	MRPS	IES	DD	TIB		
SURNAME	BSpitzberg/de	JEverett	JGagliardo	JGallins	GDBrown		
DATE	5/18/81	5/18/81	5/20/81	5/20/81	5/18/81		

Reich Geo-Physical

1018 Arlington Drive
Billings, Montana 59101
Res (408) 233-2128

August 11, 1981

United States Nuclear Regulatory Commission
Region IV
Attn: Mr. D. B. Spitzberg
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011

Gentlemen:

License No. 25-18304-01

This refers to the issued May 21, 1981 regarding corrective action taken on violations cited by Mr. D. B. Spitzberg April 14, 1981.

1. A request for amendment forms to include the Am-241 seal source has been made to the Material Licensing Branch, Washington, D.C.
2. A completed NRC-241 form was submitted to your office and we have received an acknowledgement receipt.
3. Calibration of Ludlum Survey Meters will be conducted by ICN Pharmaceuticals.

"I certify that all information contained in this letter, including any supplements attached thereto, is true and correct to the best of my knowledge and belief."

Aug 19, 1981
Date

Keith A. Reich
Signature

President
Title

IN WITNESS WHEREOF,

Hugh R. Victor
NOTARY PUBLIC FOR THE STATE OF MONTANA
RESIDING AT BILLINGS, MONTANA
MY COMMISSION EXPIRES FEBRUARY 27, 1981

ATTACHMENT 6

U.S. NUCLEAR REGULATORY COMMISSION

REPORT OF PROPOSED ACTIVITIES IN NON-AGREEMENT STATES

(Please read the instructions on the cover sheet before completing this form.)

1. NAME OF LICENSEE (Person or firm proposing to conduct the activities described below)	2. ADDRESS OF LICENSEE (Mailing address or other location where licensee may be located)			
Reich Geo-Physical, Inc.	Reich Geo-Physical, Inc. 1019 Arlington Drive Billings, Montana 59101			
3. NAME OF PERSON AUTHORIZED BY LICENSEE TO PERFORM ACTIVITY	Keith A. Reich			
4. DESCRIPTION OF ACTIVITIES TO BE CONDUCTED IN NON-AGREEMENT STATES UNDER THE GENERAL LICENSE GIVEN IN 10 CFR 150.20				
Well Logging				
5. LOCATIONS AT WHICH THESE ACTIVITIES WILL BE CONDUCTED AND DATES SCHEDULED.				
STREET AND NUMBER OR OTHER LOCATION (Give as complete an address as possible)	CITY AND STATE	DATES SCHEDULED		NO. OF DAYS
		FROM	TO	
1019 Arlington Drive	Billings, Mont	6/20	12/20	180
6. LIST SEALED SOURCES, OR DEVICES CONTAINING SEALED SOURCES, WHICH WILL BE POSSESSED, USED, INSTALLED, SERVICED OR TESTED IN NON-AGREEMENT STATES. (Include description of type and quantity of radioactive material contained in each sealed source or device.)				
2 Americium 241 sealed sources 15.5 mCi				
7. NUMBER OF SPECIFIC LICENSE AND NAME OF STATE ISSUING SUCH SPECIFIC LICENSE WHICH AUTHORIZES THE UNDERSIGNED TO CONDUCT ACTIVITIES WHICH ARE THE SAME, EXCEPT FOR LOCATION OF USE, AS THOSE SPECIFIED IN ITEM 4 ABOVE. (Four copies of the specific license must accompany this report.)				
North Dakota #33-09909-01				

CERTIFICATE

8. I, THE UNDERSIGNED, HEREBY CERTIFY THAT:

a. All information in this report is true and complete.

b. I have read and understand the provisions of the general license 10 CFR 150.20 reprinted on the cover sheet of this form set; and I understand that I am required to comply with these provisions as to all byproduct, source, or special nuclear material which I possess and use in non-Agreement States under the general license for which this report is filed with the U.S. Nuclear Regulatory Commission.

c. I understand that activities, including storage, conducted in non-Agreements under general license 10 CFR 150.20 are limited to a total of 180 days in any calendar year.

DATE

6/12/81

LICENSEE'S NAME (TYPE OR PRINT)

Reich Geo-Physical, Inc.

CERTIFYING OFFICIAL

SIGNATURE

Keith A. Reich

TITLE

President

WARNING: 18 U.S.C., Section 1001, Act of June 25, 1948, 62 Stat. 749, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

ATTACHMENT 7

C
6/25/81

Reich Geo-Physical, Inc.
1019 Arlington Drive
Billings, MT 59101

Gentlemen:

This will acknowledge receipt of Form NRC-241 dated June 12, 1981, in which you reported proposed activities in Montana.

Your cooperation is appreciated.

Sincerely,

Glen D. Brown, Chief
Technical Inspection Branch

ATTACHMENT 8

OFFICE	RIV-TIB					
SURNAME	GDBrown/de					
DATE	6/25/81					

AUG 22 1984

Docket No: 030-14821
License No: 25-18304-01
EA 84-78

Reich Geo-Physical, Inc.
ATTN: Keith A. Reich, President
1019 Arlington Drive
Billings, Montana 59101

Gentlemen:

Subjects: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY

This refers to the NRC inspection conducted on June 20, 1984, of the activities authorized by NRC Byproduct Material License 25-18304-01. During this inspection, six apparent violations of NRC requirements were identified. These violations, two of which were similar to violations identified during a previous NRC inspection conducted on April 14, 1981, are described in the enclosed Notice of Violation and Proposed Imposition of Civil Penalty. Collectively, these violations represent a careless disregard by you to comply with NRC requirements and demonstrate the need for improvement in the control of your licensed program to assure adherence to NRC requirements and safe performance of your licensed activities. Of particular concern is your extended use of sealed sources not authorized under your license. This is particularly so in light of the fact that unauthorized use of sources by you was identified as a violation in 1981 and you failed to correct this matter.

On July 3, 1984 a Confirmatory Action Letter was issued to you in which you agreed to discontinue the use of and place unauthorized sealed sources in locked storage until you received an amendment to your license. On July 12, 1984, an Enforcement Conference was held with you by the NRC Region IV staff to discuss these violations, their causes, and your corrective actions taken or planned to improve your compliance with NRC requirements.

To emphasize the importance of your compliance with NRC requirements, we have decided to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty in the amount of One Thousand Six Hundred Dollars. Collectively, the violations have been categorized in the aggregate as a Severity Level II problem in accordance with "General Policy and Procedures for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, and the revised Enforcement Policy, 49 FR 8583 (March 8, 1984). A Severity Level II is appropriate given your careless disregard in this matter, particularly with regard to your unauthorized use of sealed sources and the serious breakdown in management controls that these

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

attachment 9

Actions," 10 CFR Part 2, Appendix C, and the revised Enforcement Policy, 49 FR 8583 (March 8, 1984). This is appropriate given your careless disregard in this matter, particularly with regard to your unauthorized use of sealed sources and the serious breakdown in controls that these violations represent. The base civil penalty for a Severity Level II problem is Eight Hundred Dollars. After considering your poor enforcement history and the length of time you allowed these violations to continue, we have determined that a 100 percent increase in the civil penalty is appropriate in accordance with the NRC Enforcement Policy.

You are required to respond to the enclosed Notice and in preparing your response you should follow the instructions specified in the Notice. In addition, your reply should describe, in particular, those actions taken or planned to improve the effectiveness of your controls over the requirements of your license. Your reply to this letter and the results of future inspections will be considered in determining whether further enforcement action is warranted.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter will be placed in the NRC's Public Document Room.

The response directed by this letter and the enclosed Notice is not subject to the clearance procedures of the Office of Management and Budget, as required by the Paperwork Reduction Act of 1980, PL 96-511.

Sincerely,

Original Signed by:
Paul S. Check

John T. Collins
Regional Administrator

Enclosure: Notice of Violation and
Proposed Imposition of Civil Penalty

cc: Montana Dept. of Health and
Environmental Sciences
Occupational Health Bureau

North Dakota Dept. of Health
Environmental Health Section

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

Reich Geo-Physical, Inc.
1019 Arlington Drive
Billings, Montana 59101

Docket No: 030-14821
License No: 25-18304-01
EA 84-78

As a result of the inspection conducted on June 20, 1984, several violations of NRC requirements were identified. Two of the violations, involving use of unauthorized material and failure to calibrate survey meters at the required intervals, are the same as violations identified during a previous NRC inspection conducted on April 14, 1981. These violations indicate careless disregard for NRC requirements. Collectively, the violations represent a significant breakdown in the control of the licensee's program.

To emphasize the importance of adequate control of licensed activities, the Nuclear Regulatory Commission proposes the imposition of a cumulative civil penalty in the amount of One Thousand Six Hundred Dollars (\$1,600) for this matter. In accordance with the "General Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, and the revised Enforcement Policy, 49 FR 8583 (March 8, 1984), and pursuant to Section 234 of the Atomic Energy Act of 1954, as amended ("Act"), 42 U.S.C. 2282, PL 96-295, and 10 CFR 2.205, these violations and associated civil penalty are set forth below:

1. License Conditions 6, 7, 8, and 9 authorize only the possession of one 125-millicurie cesium-137 sealed source for use in well-logging.

Contrary to this limitation, the licensee also possessed two sealed sources of americium-241. Specifically, one source of 15.5 millicuries and one source of 25 millicuries had been possessed and used by the licensee during the period April 14, 1981, to June 20, 1984.

(This is a repeat violation.)

2. License Condition 12 states that licensed materials shall be used by, or under the supervision and in the physical presence of, a specific individual named in the license.

Contrary to this requirement, during the period of August 17, 1981 to August 14, 1982 licensed material had been used by, or had been under the supervision of, individuals who were not named on the license.

3. License Condition 17 requires, in part, that the licensee shall possess and use licensed material described in the license in accordance with statements, representations, and procedures contained in the license application dated August 8, 1978. Item 11 of the license application states that calibration of the survey meters will be performed at 6-month intervals.

Contrary to this requirement, one survey meter had not been calibrated during the period July 27, 1982 to April 10, 1984, and a second survey meter had not been calibrated during the period April 14, 1981 to April 10, 1984.

(This is a repeat violation.)

4. License Condition 10 restricts the storage of licensed material to the licensee's address at 1019 Arlington Drive, Billings, Montana.

Contrary to this requirement, on June 20, 1984, a 125 millicurie cesium-137 sealed source was being stored at a location in Billings, Montana not authorized on the license.

5. License Condition 13.A(1) requires, in part, that each sealed source containing licensed material shall be tested for leakage and/or contamination at intervals not to exceed 6 months.

Contrary to this requirement, two sealed sources containing 15.5 millicuries and 25 millicuries of americium-241, respectively, were not tested within six month periods from November 20, 1981 to and April 30, 1984.

6. 10 CFR 71.5(a) requires, in part, that no licensee shall transport any licensed material outside the confines of his plant or other place of use, or deliver any licensed material to a carrier for transport unless the licensee complies with applicable requirements of the regulations appropriate to the mode of transport of the Department of Transportation in 49 CFR Parts 170-189.
 - a. 49 CFR 172.403 requires that each package of radioactive material, unless excepted from labeling by §173.391 or §173.392, be labeled, as appropriate, with a RADIOACTIVE WHITE-I, a RADIOACTIVE YELLOW-II, or a RADIOACTIVE YELLOW-III label.

Contrary to the above, on June 20, 1984, the containers used to transport radioactive well-logging sources were not labeled with an appropriate RADIOACTIVE WHITE-I, a RADIOACTIVE YELLOW-II, or a YELLOW-III label.

- b. 49 CFR 178.305-3 requires that each package used to transport Type A quantities of radioactive material have the markings "USA DOT 7A Type A."

Contrary to the above, on June 20, 1984, sealed sources containing millicurie quantities of americium-241 were being transported in packages that were not marked as "USA DOT 7A Type A" containers.

Collectively, the above six violations have been evaluated as a Severity Level II problem (Supplements V and VI). (Cumulative Civil Penalty - \$1,600 assessed equally among the violations.)

Pursuant to the provisions of 10 CFR 2.201, Reich Geo-Physical, Inc., is hereby required to submit to the Director, Office of Inspection and Enforcement, USNRC, Washington, DC 20555, with a copy to the Region IV Office of the USNRC, 611 Ryan Plaza Drive, Arlington, Texas 76011, within 30 days of the date of this Notice, a written statement or explanation in reply, including for each alleged violation: (1) admission or denial of the alleged violation, (2) the reasons for the violation, if admitted, (3) the corrective steps that will be taken and the results achieved, (4) the corrective steps that will be taken to avoid further violations, and (5) the date when full compliance will be achieved. Consideration may be given to extending the response time for good cause shown. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, this response shall be submitted under oath or affirmation.

Within the same time as provided for the response above under 10 CFR 2.201, Reich Geo-Physical, Inc., may pay the civil penalty in the amount of One Thousand Six Hundred Dollars or may protest imposition of the civil penalty in whole or in part by a written answer. Should Reich Geo-Physical, Inc., fail to answer within the time specified, the Director, Office of Inspection and Enforcement, will issue an Order imposing the civil penalty in the amount proposed above. Should Reich Geo-Physical, Inc., elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, such answer may: (1) deny the violations listed in the Notice in whole or in part, (2) demonstrate extenuating circumstances, (3) show error in this Notice, or (4) show other reasons why the penalty should not be imposed. In addition to protesting the civil penalty in whole or in part, such answer may request remission or mitigation of the penalty. In requesting mitigation of the proposed penalty, the five factors contained in Section V.B of 10 CFR Part 2, Appendix C, should be addressed. Any written answer in accordance with 10 CFR 2.205 should be set forth separately from the statement or explanation in reply pursuant to 10 CFR 2.201, but may incorporate by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of Reich Geo-Physical, Inc., is directed to the other provisions of 10 CFR 2.205 regarding the procedure for imposing a civil penalty.

Notice of Violation

-4-

Upon failure to pay any civil penalty due which has been subsequently determined in accordance with the applicable provisions of 10 CFR 2.205, this matter may be referred to the Attorney General, and the penalty, unless compromised, remitted, or mitigated, may be collected by civil action pursuant to Section 234c of the Act, 42 U.S.C. 2282.

FOR THE NUCLEAR REGULATORY COMMISSION


John T. Collins
Regional Administrator

Dated at Arlington, Texas
this 22nd day of August 1984

DMB

8/22/84

Reich Geo-Physical Inc.

Distribution

PDR
 SECY
 CA
 RCDYoung, IE
 JTaylor, IE
 JCollins, RIV
 JAxelrad, IE
 EFlack, IE
 JLieberman, ELD
 Enforcement Coordinators
 RI, RII, RIII, RIV, RV
 VStello, DED/ROGR
 LCobb, IE
 VMiller, NMSS
 JCrooks, AEOD
 GMessenger, OIA
 BHayes, OI
 DNussbaumer, OSP
 IE:ES File
 IE:EA File
 EDO File
 DCS
 RBangart, RIV
 CHooker, RIV
 JEverett, RIV
 RHall, RIV
 TPB
 RIV Files

MRP *gk*
 CHooker/sm
 8/1/84

MRP *gk*
 JEverett
 8/17/84

TPB *gk*
 RHall
 8/17/84

DRS *gk*
 RBangart
 8/17/84

EO *gk*
 Twisterman
 8/31/84

gk
 JCollins
 8/31/84

IE:ES
 EFlack
 8/5/84

ELD *gk*
 JLieberman
 8/15/84

ES:DO
 JAxelrad
 8/15/84

IE:DO
 JTaylor
 8/17/84

IE:DO
 RDeYoung
 8/17/84

RC *gk*
 WLBrown
 8/20/84

Reich Geo-Physical

1019 Arlington Drive
Billings, Montana 59101
Res. (406) 252-9428

September 8, 1984

United States Nuclear Regulatory Commission
Attn: Director
Office of Inspection and Enforcement
Washington, D.C. 20555

Gentlemen:

This letter is in reference to your letters dated August 22 and 23, 1984. Also docket #050-14521/04-02 and license #25-18304-01. We shall attempt to respond to the violations in the order you have listed them.

1. Possession of unauthorized radioactive material. Americium 241, sealed well logging sources, 15.5 MCI serial #B-351 and 25 MCI serial #B-085.

The sources described above were initially purchased for logging lignite coal within the state of North Dakota in which we do maintain a license. We do not deny that some unauthorized use was conducted. However, we did attempt to amend our license and legalize our use of Am-241. Please refer to your file to confirm that a request for form NRC-241 and also amendment forms were made to the Material Licensing Branch, Washington, D.C. The NRC-241 forms were sent as requested, and an agreement was entered into as stated in your letter dated June 30, 1981. However, the amendment forms were not sent. Consequently we have been cited for a serious violation that was very likely a clerical error. As I stated previously, we are not denying unauthorized use. However, we feel that the only illegal use was between 5/10/82-6/6/82, 8/4/82-8/16/82, and the date 11/18/83. We would also appreciate your consideration in the fact there was not any information on our activities and locations concealed from the inspector. Amendment has been applied for.

2. Use by unauthorized personnel.

We do not deny that this occurred on several occasions. However, I, (Keith A. Reich) properly trained employees in the field, stressing to a great extent, the factors of time, distance and shielding, when using the logging tools. Since this particular type of source is designed to be stored without being removed for the logging tool, I don't believe that the employee's safety was jeopardized at any time. They were also instructed that under no circumstances whatever were they authorized to remove the source from the logging tool. As noted on the utilization logs, I, (Keith A. Reich) was present a great deal of the time. We have since changed the company policy, requiring attendance of a NRC approved radiation safety training course. Most recent course attended was Support Consultants & Associates, Inc., completed March 16, 1984.

3. Calibration of Ludlum Survey Meters.

We do not deny that survey meters were not calibrated at six month intervals. We also realize that the following may not be an acceptable excuse, but it is our reason for not conducting calibration at six month intervals. The depressed market for this type of equipment caused a financial burden on the company beginning the later part of 1982. We were forced to cut cost wherever possible, we now realize that this was not the place to cut.

Attachment 10

Also, after not being awarded a large contract in the spring of 1983, we did not foresee any work for the remainder of the year. We did however note that there was not any change in survey measurements performed with meters that were over the six month calibration date, verses the meters within the six months. As noted in the inspection, the meters were calibrated 4/10/84, and shall be conducted at six month intervals in the future.

4. Address of storage.

As indicated the Cesium-137 125 MCI source was not stored at 1019 Arlington Drive, Billings, Montana. There is an explanation for this, and we also feel that it is justified. As of June 1, 1984, a bunker storage facility was acquired in the Airport Industrial Park, Billings, Montana. Since the Cesium-137 is no longer used, it was in our best interests to remove it from the vehicles. This bunker is more than adequate since it is designed as a fall out shelter. It is isolated from commercial and residential areas, with one entrance and one key, retained by Keith A. Reich. At the time of the inspection, I offered to allow C.A. Hooker access for inspection purposes but he declined because of a time shortage. An amendment to list this address has been applied for.

5. Sealed source leak tests.

The Cesium-137 source has not been used since the previous inspection, consequently not requiring a leakage test. Most recent tests were conducted 11/20/81, 1/12/83 and 4/30/84. As noted on the utilization logs, the AM-241 #B-085 source has not been put in use since 11/18/82, consequently not requiring a test. The AM-241 #B-351 source was used (4 times) 8/29/83-9/1/83 and 11/18/83 which was approximately three months over the six month required interval. We have in the past conducted surveys of the sources and recorded them on the quarterly reports and utilization logs noting that there was not a significant change from one survey to the next. We realize that this is a regulation, and we do intend to comply with it, however, we do not understand how these sealed sources could become damaged other than having a tool lodged in the well, since they are: sealed, not removed from the tool, and not exposed to any resistive forces. Most recent tests were conducted 4/10/84.

6. Transporting and approved containers.

- A. We do not deny that a Radioactive White-I label was attached to the storage container. However, because of the size (3 1/4" x 2 1/2" x 4") the manufacturer of the container affixed a 1 1/2" x 1" yellow tag to the storage container with radiation symbols, material, serial#, quantity, and owner listed. This was observed by C.A. Hooker at the time of inspection. There was also a 3" x 5" sign reading "Caution Radioactive Material" posted within 4" of the storage container. There is also Radioactive Yellow signs 10 3/4" x 10 3/4" of metal type affixed to the outside of the vehicles and exposed when transporting the CS-137 source. We have also affixed a Radioactive White sign 10 3/4" x 10 3/4" within 4" of the storage container. These signs were noted in the previous inspection and are also a requirement of the manufacture before they release a source. We are also under the impression that we are not required to placard the outside of the vehicle when transporting the AM-241 sources because of their low activity (.03MR/HR, B-351 and .2MR/HR, B-085) at the face of the storage containers.

- B. We do not deny that "USA DOT 7A Type A" tags were attached to the storage containers. However, at the time the storage containers were purchased, we assumed that the manufacturer is liable for construction specifications of the DOT. We are contending that it was their responsibility to affix all the required tags to meet DOT regulations or they should not be allowed to put it on the market for sale. I have since attached the appropriate tags which were supplied by the manufacturer and were also made available for your inspection at our conference in Denver.

In closing, I ask that you suspend the Civil Penalty in the amount of \$ 1600.00 under the following conditions and reasons stated:

1. That the NRC allow Reich Geo-Physical, Inc. a reasonable amount of time (at the discretion of NRC) to conform and provide proof if requested, that all violations stated have been corrected and do at this time comply with NRC regulations.
2. The resulting publicity by exposure to the media has needless to say resulted in a poor credibility and working reputation for Reich Geo-Physical, Inc. We are at this time attempting to reestablish ourself with our established customers.
3. We also complied with your request dated July 3, 1984, that we discontinue the use of AM-241 sealed sources within the jurisdiction of the NRC. We were also under the impression (from our conference in Denver) that a decision as to the Civil Penalty involved, if applicable would be reached within approximately ten days. However, to this date, we have complied with your request, and have not solicited any work within the NRC non-agreement state. This compliance was a direct result of approximately \$ 18,000.00 dollars in lost revenue for Reich Geo-Physical, Inc. from the time of request, through the date of this letter.
4. On August 22, 1984, a telephone message was recorded saying "It is very important that Keith A. Reich contact C.L. Cain, Nuclear Regulatory Commission, Arlington, Texas". I did return the call on August 22, 1984. I had a discussion with C.L. Cain and C.A. Hooker. They informed me that as of that date Reich Geo-Physical, Inc. had been imposed with a Civil Penalty in the amount of \$ 1600.00, which I had the right to protest, request remission or mitigate the penalty. They also informed me that the violation would be released to the media within ten days if I did not protest. At that time I informed them that I was on a temporary job site within the State of North Dakota, and would not have the opportunity to take receipt of the violation letter until August 31, August 30 being our projected completion date. I also informed them that I was concerned that I would not have enough time to properly review and reply to the violation, August 31 st, being the 10th day. Also, as shown on the certified mail receipt taken August 28, 1984, I am contending that a letter of this importance with the time reply element involved should not have been released to anyone other than the person it was addressed to (Reich Geo-Physical, Inc. Attn: Keith A. Reich, President) Contrary to this, the letter was released to Linda S. Reich. Since I (Keith A. Reich) am the only person qualified to respond to the alleged violations, this letter should not have been released. I also believe that under the circumstances (being on temporary job site) I was not given the proper time to respond. There is no doubt in my mind that a proper verbal request was made August 22, 1984, in the discussion with C.L. Cain and C.A. Hooker. The AP releases in the Great Falls Tribune (September 2, 1984) and The Billings Gazette (September 7, 1984) have caused a great financial burden upon Reich Geo-Physical, Inc.

For the reasons stated above, we believe that Reich Geo-Physical, Inc. has been more than sufficiently punished, and are asking that you give your deepest consideration in honoring our request that the Civil Penalty of \$ 1600.00 be suspended.

Sincerely yours,

Keith A. Reich

Reich Geo-Physical, Inc.
Keith A. Reich



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

OCT 31 1984

Docket: 30-14821
License: 25-18304-01
EA 84-78

Reich Geo-Physical, Inc.
ATTN: Keith A. Reich, President
1019 Arlington Drive
Billings, Montana 59101

Gentlemen:

This refers to your letter of September 8, 1984 in response to the Notice of Violation and Proposed Imposition of Civil Penalty sent to you with our letter of August 22, 1984. Our letter concerned violations identified during the routine inspection of June 20, 1984. In your response of September 8, 1984, you admitted each of the six violations identified and outlined corrective actions which had been taken to prevent recurrence. You also requested that the \$1600 civil penalty be mitigated in its entirety because of extenuating circumstances connected with the violations and because NRC actions with respect to the issuance of the Notice of Violation and Proposed Imposition of Civil Penalty have been unreasonably detrimental to your business.

After careful review of your response, including your arguments supporting your request for mitigation, we have concluded, for the reasons given in the enclosed Order and Appendix, that the civil penalty should not be mitigated. Accordingly, we hereby serve the enclosed Order on Reich Geo-Physical, Inc., imposing a civil penalty in the amount of \$1600. If future violations indicate that you as a licensee are unable or unwilling to comply with NRC requirements, future enforcement action will be considered, including suspension or revocation of your license.

We have also reviewed the proposed corrective actions specified in your response to the Notice of Violation and find them responsive to the concerns raised. We will review the implementation of your corrective actions during a future inspection to determine whether full compliance has been achieved and will be maintained.

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

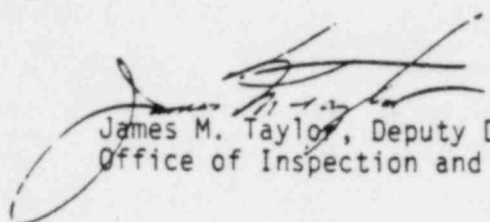
attachment 11

Reich Geo-Physical, Inc.

-2-

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed Order will be placed in the Public Document Room.

Sincerely,



James M. Taylor, Deputy Director
Office of Inspection and Enforcement

Enclosure:
Order Imposing Civil Monetary
Penalty and Appendix

Distribution

PDR
 SECY
 CA
 JTaylor, IE
 RMartin, RIV
 JAxelrad, IE
 EFlack, IE
 JLieberman, ELD
 Enforcement Coordinators
 RI, RII, RIII, RIV, RV
 VStello, DED/ROGR
 LCobb, IE
 VMiller, NMSS
 JCrooks, AEOD
 SConnelly, DIA
 BHayes, OI
 DNussbaumer, OSP
 IE:ES File
 IE:EA File
 EDO File
 DCS
 RBangart, RIV
 BSpitzberg, RIV
 CHooker, RIV
 JEverett, RIV
 RHall, RIV
 NMS&SB
 RIV Files

		Telephone		Telephone	
NMSS	NMSS	NMSS	NMS&SB	DRS&S	EO RC
BSpitzberg/sm	CHooker	JEverett	RHall	RHall	Twesterman
10/ /84	10/ /84	10/ /84	10/ /84	10/ /84	10/30/84
RA	IE:ES	ELDR. Wangling	ES 11	IE AD	RC
RMartin	EFlack	JLieberman	JAxelrad	JTaylor	WBrown
10/ /84	10/30/84	10/30/84	10/24/84	10/30/84	10/ /84

10/30
 #1
 C

UNITED STATES
NUCLEAR REGULATORY COMMISSION

In the Matter of)

REICH GEO-PHYSICAL, INC.)
1019 Arlington Drive)
Billings, Montana 59101)

Docket: 30-14821
License: 25-18304-01
EA 84-78

ORDER IMPOSING CIVIL MONETARY PENALTY

I

Reich Geo-Physical, Inc., 1019 Arlington Drive, Billings, Montana (the "licensee") is the holder of License 25-18304-01 (the "license") issued by the Nuclear Regulatory Commission (the "NRC"). License 25-18304-01 authorized the possession and use of byproduct materials for well logging and was placed in a timely renewal status on April 1, 1984.

II

A routine inspection of the licensee's activities under its license was conducted on June 20, 1984. As a result of the inspection, it appeared that the licensee had not conducted its activities in full compliance with the NRC's regulations or the conditions of its license. The results of the inspection were discussed with the licensee's representative during an Enforcement Conference on July 12, 1984. A written Notice of Violation and Proposed Imposition of Civil Penalty was served upon the licensee by letter dated August 22, 1984. This Notice stated the nature of the violations, the NRC regulations and license conditions which the licensee had violated, and the amount of the civil penalty proposed. A response dated September 8, 1984 to the Notice of Violation and Proposed Imposition of Civil Penalty was received from the licensee which sought mitigation of the civil penalty.

III

Upon consideration of the answers received and the statements of fact, explanation, and arguments for remission or mitigation of the proposed civil penalty contained therein, as set forth in the Appendix to this Order, the Deputy Director, Office of Inspection and Enforcement, has determined that the violations occurred as stated in the Notice of Violation and Proposed Imposition of Civil Penalty and that the full penalty proposed for the violations should be imposed.

IV

In view of the foregoing, and pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2282, P.L. 96-295) and 10 CFR 2.205, IT IS HEREBY ORDERED THAT:

The licensee pay the civil penalty in the total amount of One Thousand Six Hundred Dollars within 30 days of the date of this Order by check, draft, or money order, payable to the Treasurer of the United States, and mailed to the Deputy Director, Office of Inspection and Enforcement, USNRC, Washington, D.C. 20555.

V

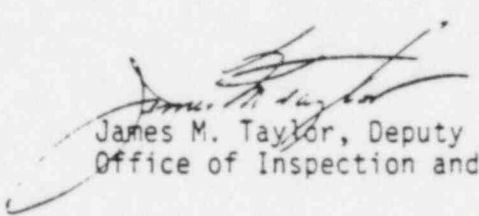
The licensee may, within 30 days of the date of this Order, request a hearing. A request for hearing shall be addressed to the Deputy Director, Office of Inspection and Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555. A copy of any request for hearing shall also be sent to the Executive

Legal Director at the same address. If a hearing is requested, the Commission will issue an Order designating the time and place of hearing. Upon failure of the licensee to request a hearing within 30 days of the date of this Order, the provisions of this Order shall be effective without further proceedings and, if payment has not been made by that time, the matter may be referred to the Attorney General for collection.

In the event the licensee requests a hearing as provided above, the issues to be considered at such a hearing shall be:

- (a) whether the licensee violated NRC requirements as set forth in the Notice of Violation and Proposed Imposition of Civil Penalty; and
- (b) whether, on the basis of such violations, this Order should be sustained.

FOR THE NUCLEAR REGULATORY COMMISSION


James M. Taylor, Deputy Director
Office of Inspection and Enforcement

Dated at Bethesda, Maryland
the 31st day of October 1984

APPENDIX
EVALUATION AND CONCLUSIONS

The licensee's September 8, 1984 response to the Notice of Violation and Proposed Imposition of Civil Penalty dated August 22, 1984 admits that the violations occurred as described but requests complete mitigation of the civil penalty for various extenuating circumstances including that: 1) the violations were promptly corrected, 2) the licensee has suffered from harsh publicity, 3) the licensee has been financially penalized through a loss in revenue, and 4) inadequate time was allowed to review the Notice of Violation and Proposed Imposition of Civil Penalty before the media was notified. The licensee's arguments in support of mitigation, the NRC staff's evaluation, and the NRC conclusions regarding mitigation are addressed below.

1. Mitigation of the Penalty Based on Extenuating Circumstances

a. Unauthorized Possession of Radioactive Material (repeat violation)

- 1) Licensee Response - The licensee asserts that an NRC Form-241, "Report of Proposed Activities in Non-Agreement States," was submitted in June 1981 requesting approval for the use of the radioactive material in question in the state of Montana. Under the reciprocal agreement specified in 10 CFR 150.20, a general license was, therefore, in effect whereby the NRC would recognize Reich Geo-Physical's North Dakota license to be valid in Montana under the conditions specified on the NRC Form-241. The licensee further states that a request to amend its NRC license to allow possession and use of the material had been prepared but was not submitted due to a clerical oversight.
- 2) NRC Staff Evaluation - NRC records show that an NRC Form-241 request was approved in June 1981 authorizing temporary use by Reich Geo-Physical of two 15.5 millicurie Am-241 sources during the period from June 20, 1981 to December 20, 1981, in the state of Montana only. It was determined during the NRC inspection conducted on June 20, 1984 that two sources (one a 25 millicurie Am-241 source) had been used in 1982 and 1983 in the non-agreement states of Montana, Wyoming, and Utah without the authorization of a valid NRC Form-241 in effect.

The licensee's response regarding clerical oversight concerning the subject license amendment request does not appear to be a justifiable excuse particularly in light of a written commitment made to the NRC following an inspection in 1981 which had identified a violation regarding unauthorized use. The licensee's notarized response letter dated August 11, 1981 committed to submitting and obtaining a license amendment prior to using these unauthorized sources. In addition, the significance of this type of violation had been emphasized following the 1981 inspection in the NRC's confirmatory action letter dated May 21, 1981 and by the May 18, 1981 letter accompanying the Notice of Violation which stated in part, "This violation is normally a Severity Level III violation and generally leads to a Proposed Notice of Civil Penalty." Given this emphasis on the earlier violation, clerical oversight does not excuse the violation.

After evaluating the licensee's response to this item, the NRC staff finds no basis for mitigation of the civil penalty.

b. Use of Licensed Material by Unauthorized Personnel

- 1) Licensee Response - The licensee contends that the unauthorized personnel who had used the material without supervision had received personnel training and instructions in the safe use of the material from the Radiation Safety Officer (RSO) and the potential consequences of inadequate training were minimized by the inherent safety of the devices in question.
- 2) NRC Staff Evaluation - The NRC staff agrees that the training by the RSO and the quantity and inherent safety of the devices in question may have reduced the potential safety implications of this violation. However, the NRC cannot accept ad hoc training of unknown quality in lieu of the requirements of the license. The licensee did disregard a specific requirement of the license. The staff concludes that there is no basis for mitigation of the civil penalty as a result of the licensee's response to this item.

c. Failure to Calibrate Radiation Survey Instruments at the Required Frequency (repeat violation)

- 1) Licensee Response - The licensee had been under the financial pressure of a depressed business period. Failure to calibrate was a move to cut costs.
- 2) NRC Staff Evaluation - Although the safety implications of not calibrating instruments at 6 month intervals in this case were small, cost cutting measures which affect compliance with NRC requirements are not justified under any circumstances and may lead to suspension or revocation of the license.

d. Unauthorized Storage Location for Licensed Material

- 1) Licensee Response - The licensee points out that the material in storage at the unauthorized location was no longer being used and had, therefore, been removed from the transport vehicles and placed in a storage location which was more suitable and secure.
- 2) NRC Staff Evaluation - The NRC staff does not question the decision to remove the material from the vehicles and cannot address the suitability of the unauthorized storage location. In the licensee's letter dated January 30, 1979, the approved storage location was described in detail, reviewed by the NRC, and made a requirement in the license. The licensee in effect disregarded the requirements of its license. There is no basis for mitigation of the civil penalty as a result of the licensee's response to this item.

e. Failure to Perform Required Leak Tests

Licensee Response - The licensee argues that, for certain sources, leak tests were not required because the sources were not in use.

NRC Staff Evaluation - According to the licensee's response, americium-241 source B-351 exceeded the 6 month leak test interval by approximately 3 months during 1983 and americium-241 source B-085 was removed from service on November 18, 1982. A review of the inspector's field notes shows that, prior to this date, when source B-085 was in use, the previous leak test was performed on November 20, 1981, a period of 12 months. The cesium-137 source mentioned in the licensee's response was not referenced in the leak test citation. The NRC staff finds no basis for mitigation as a result of the licensee's response to this item.

f. Failure to Properly Label Licensed Material for Transport

Licensee Response - The licensee admits that certain packages used for transporting licensed material were not labeled in accordance with NRC regulations. However, the licensee questions whether it or the package manufacturer is responsible for proper labelling. The licensee also argues that some labelling on the packages identified them as radioactive material.

NRC Staff Evaluation - Proper labelling of packages transporting licensed material is the responsibility of the licensee and is to be in accordance with NRC regulations.

2. Mitigation of the Penalty Based on Prompt Corrective Action and Unreasonable Sanctions Imposed

a. The licensee has further requested mitigation of the civil penalty because of the following considerations:

1) Licensee Response - The violations have been promptly corrected.

NRC Staff Evaluation - The NRC staff acknowledge that the licensee has taken corrective action for the violations. In this case, the licensee's corrective actions were not unusually prompt and extensive as required by the NRC Enforcement Policy for mitigation, but were only those that the NRC would expect the licensee to take.

2) Licensee Response - The licensee has suffered from the harsh publicity resulting from the civil penalty.

NRC Staff Evaluation - NRC's Enforcement Policy states that enforcement actions are publicly available and that press releases are generally issued for civil penalties and Orders. Mitigation of civil penalties because of adverse publicity suffered by a licensee is not considered in the Enforcement Policy to be a basis for mitigating civil penalties.

- 3) Licensee Response - The licensee has been financially penalized through a loss in revenue as a result of complying with the NRC's confirmatory action letter dated July 3, 1984 committing the licensee to discontinue use of the unauthorized material.

NRC Staff Evaluation - The NRC's confirmatory action letter of July 3, 1984 was issued to immediately bring the licensee into compliance with NRC requirements. Lost revenue attributed to compliance with NRC requirements is not a basis for mitigation of civil penalties in NRC's Enforcement Policy.

- 4) Licensee Response - Due to uncontrollable circumstances affecting the licensee, the NRC did not allow sufficient time for the company president to review the Notice of Violation and Proposed Imposition of Civil Penalty before the media was notified causing detrimental publicity.

NRC Staff Evaluation - The NRC's practice is for a press release to be issued 5 working days from the date the Notice of Violation and Proposed Imposition of Civil Penalty is issued for non-reactor licensees. The purpose of this practice is to provide the licensee with sufficient time to receive the Notice and be prepared for any ensuing press inquiries. This practice was followed in this case. As discussed in item 2.a.2 above, issuance of a press release or the contents of the release is not considered in the Enforcement Policy to be a basis for mitigating the civil penalty.

3. NRC Conclusion

The NRC staff has carefully evaluated the licensee's response to the Notice of Violation and Proposed Imposition of Civil Penalty dated September 8, 1984 and the reasons given for requesting mitigation of the civil penalty. The NRC staff has concluded that the licensee's response does not provide an adequate basis for mitigation of the civil penalty.