



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
1600 EAST LAMAR BOULEVARD
ARLINGTON, TEXAS 76011-4511

July 16, 2018

EA-18-078

Joey Rentrop, Radiation Safety Officer
Bayou Inspection Services, Inc.
P.O. Box 1065
Amelia, LA 70340-0396

SUBJECT: NOTICE OF VIOLATION; NRC INSPECTION REPORT 150-00017/2018-003

Dear Mr. Rentrop:

This letter refers to the in-office review of information submitted by Bayou Inspection Services, Inc. to the U.S. Nuclear Regulatory Commission (NRC) on April 30, 2018, regarding the performance of licensed activities in exclusive Federal jurisdiction. Specifically, Bayou Inspection Services, Inc., submitted a clarification of work activities to the NRC on April 30, 2018, for work that had begun on April 28, 2018. The preliminary findings of this in-office review were discussed with you on April 30, 2018. A final exit briefing was conducted telephonically with you and Craig Boudreaux, Vice President, on July 3, 2018.

Based on the information submitted by Bayou Inspection Services, Inc., the NRC has determined that a violation of NRC requirements occurred. The violation was evaluated in accordance with the NRC Enforcement Policy. The current NRC Enforcement Policy is included on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in detail in the subject inspection report. The violation is being cited in the Notice because it was identified by the NRC during a review of records submitted by Bayou Inspection Services Inc., and involved the failure to file an initial NRC Form 241, and pay the required reciprocity fee, prior to engaging in licensed activities in Federal jurisdiction for Calendar Year 2018.

In accordance with the NRC Enforcement Policy, the failure to file an NRC Form 241 prior to engaging in licensed activities in NRC jurisdiction is normally categorized as a Severity Level III violation. The NRC Enforcement Policy includes Severity Level IV violations when certain criteria are met. As a materials licensee, whose licensed activity is designated as a Priority 1 NRC inspection, you only met three of the four criteria in Section 6.9.d.14 to be characterized as a Severity Level IV violation.

However, in this case, several factors were considered to disposition this violation as a Severity Level IV violation. The factors included: (1) Bayou Inspection Services, Inc., had performed licensed activities in NRC jurisdiction for just 2 days prior to the submittal of NRC Form 241 and therefore the NRC had the opportunity to inspect the licensee prior to work completion; (2) Bayou Inspection Services, Inc. had a clear history of filing the required paperwork, NRC Form 241, in a timely fashion; and, (3) the licensed activities were performed in offshore waters,

thereby limiting security access concerns, as well as potential for exposure and contamination to members of the public. Considering these mitigating factors, the NRC determined this violation is more appropriately characterized as a Severity Level IV violation.

The NRC has concluded that information regarding: (1) the reason for the violation; (2) the corrective actions that have been taken and the results achieved; and (3) the date when full compliance was achieved is already adequately addressed on the docket in NRC Inspection Report 150-00017/2018-003, Enclosure 2. Therefore, you are not required to respond to this letter unless the description herein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter, its enclosures, and your response, if you choose to provide one will be made available electronically for public inspection in the NRC Public Document Room or in the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy or proprietary, information so that it can be made available to the public without redaction.

Sincerely,

/RA/

Michael C. Hay, Chief
Materials Licensing & Inspection Branch
Division of Nuclear Materials Safety

Docket: 150-00017
License: 10 CFR 150.20

Enclosures:

- 1) Notice of Violation
- 2) NRC Inspection
Report 150-00017/2018-003

cc w/Enclosure:

J. Dauzat, Administrator
State of Louisiana Radiation
Control Program

NOTICE OF VIOLATION; NRC INSPECTION REPORT 150-00017/2018-003 DATED July 16, 2018

DISTRIBUTION:

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ADAMS ACCESSION NUMBER: **ML18198A371**

SUNSI Review: ADAMS: Non-Publicly Available Non-Sensitive Keyword:
 By: JLT Yes No Publicly Available Sensitive

OFFICE	RIV:MLIB	C:MLIB	ACES:TL	RC	OE	NMSS
NAME	JThompson	MCHay	GMVasquez	DCylkowski	SHoliday	RSun
SIGNATURE	/RA/	/RA/	/RA/	/RA/	/RA/ E	/RA/ E
DATE	7/3/18	7/5/18	7/9/18	7/10/18	7/11/18	7/12/18
OFFICE	C:MLIB					
NAME	MCHay					
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DATE	7/16/18					

OFFICIAL RECORD COPY

NOTICE OF VIOLATION

Bayou Inspection Services, Inc.
Amelia, Louisiana

Docket No. 150-00017
License No. 10 CFR 150.20
EA-18-078

During an NRC in-office inspection conducted on April 30, 2018, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 30.3(a) requires, in part, that no person shall receive, acquire, own, possess, or use byproduct material except as authorized in a specific or general license issued in accordance with the regulations in 10 CFR Chapter I.

10 CFR 150.20(a)(1) requires, in part, that any person who holds a specific license from an Agreement State is granted an NRC general license to conduct the same activity in offshore waters.

10 CFR 150.20(b)(1) requires, in part, that any person engaging in activities in offshore waters shall, at least 3 days before engaging in each activity for the first time in a calendar year, file a submittal containing an NRC Form 241, "Report of Proposed Activities in Non-Agreement States," a copy of its Agreement State specific license, and the appropriate fee with the Regional Administrator of the NRC Regional Office.

Contrary to the above, on April 28, 2018, Bayou Inspection Services, Inc., a licensee of the State of Louisiana, engaged in activities in offshore waters without filing a submittal containing an NRC Form 241, "Report of Proposed Activities in Non-Agreement States," a copy of its Agreement State specific license, and the appropriate fee with the Regional Administrator of the NRC Regional Office at least 3 days before engaging in each activity for the first time in a calendar year. Specifically, Bayou Inspection Services, Inc., performed licensed activities in offshore waters beginning on April 28, 2018, but did not file a submittal containing an NRC Form 241, a copy of its Agreement State specific license, and the appropriate fee until April 30, 2018. Since work was performed in Federal jurisdiction beginning on April 28, 2018, the licensee was required to provide this information to the NRC 3 days prior to beginning this work, which would have been April 25, 2018.

This is a Severity Level IV Violation.

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved, is already adequately addressed on the docket in NRC Inspection Report 150-00017/2018-003, Enclosure 2. However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation (EA-18-078)," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator, U.S., Nuclear Regulatory Commission, Region IV, 1600 E. Lamar Blvd., Arlington, TX 76011-4511, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

If you choose to respond, your response will be made available electronically for public inspection in the NRC Public Document Room or in the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction.

In accordance with 10 CFR 19.11, you may be required to post this Notice within 2 working days of receipt.

Dated this 16th day of July 2018

**U.S. NUCLEAR REGULATORY COMMISSION
REGION IV**

Docket: 150-00017

License: 10 CFR 150.20

Report: 2018-003

EA No: EA-18-078

Licensee: Bayou Inspection Services, Inc.

Location Inspected: In-office review only

Inspection Dates: April 30 through July 3, 2018

Exit Meeting Date: July 3, 2018

Inspector: Michelle Hammond, Health Physicist
Materials Licensing and Inspection Branch
Division of Nuclear Materials Safety

Approved by: Michael C. Hay, Chief
Materials Licensing and Inspection Branch
Division of Nuclear Materials Safety

Attachment: Supplemental Inspection Information

EXECUTIVE SUMMARY

Bayou Inspection Services, Inc. NRC Inspection Report 150-00017/2018-003

Program Overview

Bayou Inspection Services, Inc. (licensee) is authorized under the State of Louisiana Radioactive Materials License LA-7112-L01, to possess and use byproduct material, including iridium-192, for industrial radiographic operations, and as of May 22, 2018, is authorized to perform these same licensed activities at temporary job sites in exclusive Federal jurisdiction under a general license pursuant to 10 CFR 150.20. (Section 1)

Inspection Findings

One violation was identified involving the licensee's failure to file an initial NRC Form 241, and pay the required reciprocity fee, prior to performing licensed activities in Federal jurisdiction for Calendar Year 2018. This violation was identified when the licensee submitted a clarification for locations of work to the NRC, and the NRC discovered that the licensee had never filed the initial reciprocity information prior to beginning licensed activities in Federal jurisdiction on April 28, 2018. (Section 2)

Corrective Actions

The licensee corrected this violation by submitting the appropriate information, to include the NRC Form 241, Agreement State License and required reciprocity fee to the NRC on April 30, 2018. The NRC subsequently granted the reciprocity request in a letter dated May 22, 2018. (Section 3)

REPORT DETAILS

1 Program Overview (87121)

1.1. Program Scope

Bayou Inspection Services, Inc. (licensee) is authorized under the State of Louisiana Radioactive Materials License Number LA-7112-L01, to possess and use byproduct material, including iridium-192, for industrial radiographic operations at their main office, as well as temporary job sites, in the State of Louisiana.

After the NRC received the licensee's initial NRC Form 241 and reciprocity fee on April 30, 2018, the licensee became authorized to perform industrial radiography at temporary job sites under a general license pursuant to 10 CFR 150.20, "Recognition of Agreement State Licenses."

1.2. Observations and Findings

Upon reviewing the information submitted by the licensee notifying the NRC of a change of work locations in Federal jurisdiction, and researching the local database where the initial NRC Form 241 requests/approvals are maintained, the regional license reviewer identified that the licensee had not submitted the initial NRC Form 241 and a copy of it Agreement State specific license, nor had they paid the reciprocity fee for the work to be performed in Calendar Year 2018.

2 Inspection Findings (87121)

2.1 Inspection Scope

On April 30, 2018, the regional license reviewer received a clarification notification from the licensee stating that they were working in Federal jurisdiction, in offshore Federal waters, from April 28 through May 4, 2018. The license reviewer used this information, in addition to performing research on existing reciprocity approvals for Calendar Year 2018, to determine whether the licensee was in compliance with regulatory requirements.

2.2 Observation and Findings

Title 10 CFR 30.3(a) requires, in part, that no person shall receive, acquire, own, possess, or use byproduct material except as authorized in a specific or general license issued in accordance with the regulations in 10 CFR Chapter I.

Title 10 CFR 150.20(a)(1) requires, in part, that any person who holds a specific license from an Agreement State is granted an NRC general license to conduct the same activity in offshore waters.

Title 10 CFR 150.20(b)(1) requires, in part, that any person engaging in activities in offshore waters shall, at least 3 days before engaging in each activity for the first time in a calendar year, file a submittal containing an NRC Form 241, "Report of Proposed Activities in Non-Agreement States," a copy of its Agreement State specific license, and the appropriate fee with the Regional Administrator of the NRC Regional Office.

Upon receiving the clarification of work activities on April 30, 2018, the license reviewer noted that even though the request was received on April 30, the actual work began on April 28, 2 days prior to the date that the clarification was received. This work involved the use of iridium-192 in the performance of industrial radiography on the West Delta Block 73 oil/gas platform in the Gulf of Mexico, an area of exclusive Federal jurisdiction. The license reviewer used this information submitted by the licensee to perform a search in the Region IV reciprocity database to determine whether the licensee had filed an initial NRC Form 241 with the NRC, as required. The license reviewer identified that the licensee had not filed the initial NRC Form 241, not provided a copy of the Agreement State specific license, nor had they paid the reciprocity fee for Calendar Year 2018, prior to engaging in licensed activities beginning on April 28, 2018.

2.3 Conclusions

The NRC identified a violation involving the licensee's failure to file an initial NRC Form 241, to provide a copy of the Agreement State specific license, and pay the reciprocity fee, prior to engaging in licensed activities in Federal jurisdiction beginning on April 28, 2018, as required by 10 CFR 150.20(b)(1). (15000017/18001-01)

3 **Corrective Actions**

The radiation safety officer for the licensee stated that, after a discussion with the NRC regarding this issue, he realized the initial NRC Form 241 had not been sent at the beginning of CY2018, as he had done correctly in the past calendar years. The licensee corrected this violation by submitting the NRC Form 241, Agreement State License and required reciprocity fee to the NRC on April 30, 2018.

4 **Exit Meeting Summary**

The license reviewer presented the preliminary inspection findings at the conclusion of the in-office review on April 30, 2018, with Joey Rentrop, Radiation Safety Officer, for the licensee. On July 3, 2018, a final telephonic exit meeting was conducted with Joey Rentrop, Radiation Safety Officer, and Craig Boudreaux, Vice President. The licensee acknowledged the findings and did not dispute any of the details presented during the exit call.

SUPPLEMENTAL INSPECTION INFORMATION

PARTIAL LIST OF PERSONS CONTACTED

Joey Rentrop, Radiation Safety Officer
Craig Boudreaux, Vice President

INSPECTION PROCEDURES USED

87121 Industrial Radiography Programs

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

15000017/18001-01	VIO	The failure to file an initial NRC Form 241 prior to engaging in licensed activities in exclusive Federal jurisdiction
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Closed

None

Discussed

None

LIST OF ACRONYMS USED

ADAMS	Agencywide Documents Access and Management System
CFR	<i>Code of Federal Regulations</i>
NRC	Nuclear Regulatory Commission
VIO	Violation