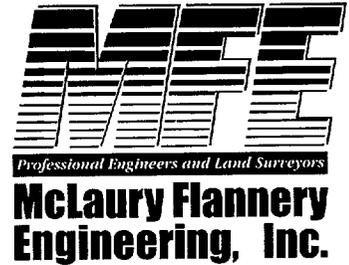
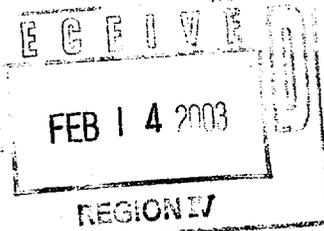


February 10, 2003

Nuclear Materials Licensing Section
U.S. Nuclear Regulatory Commission, Region IV
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8064



Dear Sirs,

I recently attended a Radiation Safety Officer training class offered by the Troxler company. Our firm has one Troxler Nuclear Moisture and Density machine that we utilize for soil testing.

I am writing this letter to request an administrative amendment to the current NRC license on file, No. 40-27571-01, issued on November 18, 1997, which is to expire in the year 2007. Please note that the location of radioactive material remains the same.

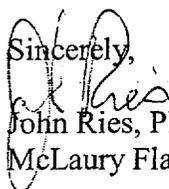
To update the administrative items for this license, I offer the following information:

1. The Radiation Safety Officer (RSO) for this license is now John Ries, PE. John has previous Troxler Gauge operation experience with the SD DOT. He attended Radiation Safety Officer Training on December 12, 2002 in Kansas City, KS, with Troxler staff instructor Greg Farnen. John will assume responsibilities previously assigned to RSO Gerald Flannery.
2. The License is issued to Flannery Engineering, Inc. The name of the company has been changed to McLaury Engineering, Inc. The location of the company has not changed, nor have operational procedures changed since issuance of the license.
3. Training of personnel is to continue to be performed on an annual basis. HazMat Training will be performed in-house, offered by the RSO or other qualified individual, in lieu of *repeating* the basic Troxler gauge operation training. All personnel will continue to be required to complete a certified Gauge Operation Training course prior to operation or use of the gauge.
4. I have reached an agreement with the SD DOT Regional Safety officer for use of their survey meter when the need arises. Also, our close proximity to Sioux City (25 minutes away), assures access to the local Hazmat Responding facility if quicker access is needed.

I am hoping that the above items may be incorporated within our current license under an administrative amendment per this letter. If a fee is associated with this amendment, please advise, so I may review the entire permit and its references and assure that each specific item is to the standards that we have been performing, and that each item does indeed meet the requirements of your agency.

If you have any questions or requirements that I have overlooked, please feel free to contact me at our main office, 118 West Main Street, PO Box 1130, Elk Point SD. I can be reached at 605.356.2308.

Sincerely,


John Ries, PE, RSO
McLaury Flannery Engineering, Inc.

No 469603

MAIN OFFICE
118 W. Main St.
P.O. Box 1130
Elk Point, SD 57025
(605) 356-2308
FAX (605) 356-2795

PARKSTON OFFICE
116 N. First St.
P.O. Box 916
Parkston, SD 57366
(605) 928-7676
Fax (605) 928-3013

WAGNER OFFICE
210 S. Main St.
P.O. Box 487
Wagner, SD 57380
(605) 384-3141
FAX (605) 384-3141

Item 7.

Gerald F. Flannery will be the Radiation Safety Officer. He will complete the Troxler Nuclear Gauge Safety Training Class. (Copy of Certificate attached). Gerald is a Professional Engineer, Registered Land Surveyor, and the owner of the company. This gives him full independent authority to stop operations that he considers unsafe. He will have sufficient time and commitment to fulfill his duties as the RSO.

The typical duties of the RSO include the following:

- Stop unsafe licensed activities.
- Proper use and maintenance of gauges.
- Personnel training.
- Incident response and investigation.
- Gauge security and storage.
- Material disposal.
- Gauge transport.
- Interaction with NRC and other authorities.
- Records maintenance.
- Annual internal audit.

Item 8.

Training for individuals working in or frequenting restricted areas.

Each individual that will operate the nuclear gauge will complete the Troxler Nuclear Gauge Training course taught by Troxler Instructors; read and understand our radiation safety procedures; and be approved by our Radiation Safety Officer. Copies of each individuals training certificate will be maintained of file.

Annual refresher training will be accomplished by sending all gauge operators to the Troxler Nuclear Gauge Safety Training course once a year. Copies of individuals training certificates will be maintained on file to reflect the refresher requirement.

Item 9.

Facilities and Equipment

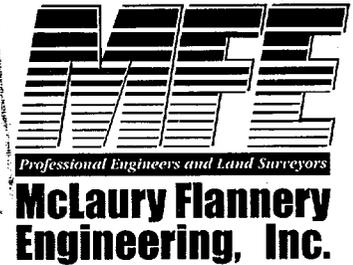
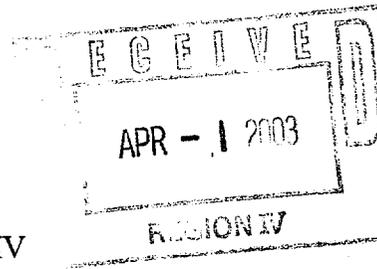
The address in # 3 is an existing office complex which is the headquarters for our engineering firm. The gauge will be stored in a storage room in the furthest back part of the office building - see attached drawing of location and description. Access to the gauge storage will be restricted to only those individuals approved by the RSO. The gauge storage area will be secured by a double lock system.

When the gauges are transported to the field, "they will be secured to the vehicle by a chain and lock; locked in the trunk of a car, or hidden from view in a locked van or suburban."

Gauge Security - The usage of nuclear gauges will be only by individuals authorized by the RSO. Each gauge shall be accounted for by a usage or utilization log in the gauge storage area. All possible means shall be provided to ensure that the equipment is fully secured in the transport vehicle. When not being used in the field, the authorized user shall maintain control over the gauge at all times. The gauge will never be left unattended. The gauge will be under constant physical surveillance while in the field. All unauthorized personnel shall be kept out of the gauge operating area. When not making measurements with the gauge, it shall be placed in the transport case with the source rod locked in the safe position and returned to the gauge storage area as soon as possible. During transport, the case shall be secured so that the gauge cannot be removed or tampered by unauthorized personnel.

March 24, 2003

Nuclear Materials Licensing Section
U.S. Nuclear Regulatory Commission, Region IV
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8064



Attn: Mr. Lewis Carson

Dear Mr. Carson,

Thank you for your phone call today outlining the additional information that is needed to process the administrative amendment we are seeking for the current NRC license on file, No. 40-27571-01, issued on November 18, 1997.

I have reviewed the new regulation, Section 1556 Vol 1, especially Part 8.8 and Addendum D, and offer the following information, in regard to **administrative changes to Item 7** of our license application dated October 20, 1997:

I received a Bachelor of Science degree in Civil Engineering from South Dakota State University in 1990. I then worked for the State of South Dakota in the Aberdeen Region Materials Office. My position required that I be able to operate any of the Troxler Nuclear Density Gauges assigned to the Region. My work at the Region office extended over 4 years. During that time, my training was updated on a regular basis. I anticipate that my experience with the state includes over 20 hours of personal use of a portable gauge.

I currently work for McLaury Flannery Engineering, and have been employed in my position for over 3 years. During that time, I have often been required to operate our firm's sole nuclear gauge. I have also participated in the sessions offered within our company regarding the safety, security, storage and safe operation of gauge. I believe that my experience with McLaury Flannery Engineering includes over 60 hours of personal use of a portable gauge.

Included with this letter are copies of the Training Certificates that I have received at this time.

Information concerning **administrative changes to Item 8** of our license application:

As of today, our Elk Point office has four full-time staff members who have received Troxler sponsored operational training or equivalent training offered by other companies. One Temporary Employee has also received this training. Currently, two summer-time employees are scheduled for Troxler sponsored training on May 13, 2003, in Rapid City.

Because our office is primarily a surveying and design firm, the single gauge that is owned by our company is not used very often. Since we inspect many of the construction projects we design, we must be prepared to perform density tests at the sites. Depending on the project

Ma 4 6 9 6 0 3

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210 S. Main St.
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Wagner, SD 57380
(605) 384-3141
FAX (605) 384-3141

designer, the inspection needs, and the schedule of employees, the gauge could be taken from storage and operated by any of these employees. Because of the high costs associated with Troxler sponsored annual retraining for each of these employees, and the actual limited use by some of them, we find it more economical, efficient, and effective to provide in-house annual refresher courses to meet the federal requirements. We are requesting that an administrative change be established to allow annual refresher "HazMat" training to be provided in-house in lieu of *repeating* the basic Troxler gauge operation training each year.

The annual refresher course will be performed under the direction of the new RSO, John Ries. The course will review all aspects of the safety, storage, operation, transportation, emergency procedures, and documentation required by our license and current federal and state laws. Review of NUREG – 1556 Volume 1, Rev. 1 will be incorporated within the training session. Anticipated training will conclude with demonstrations by selected operators in front of all other operators of safety requirements, storage requirements, operational requirements, and transportation requirements, with critique offered by the other operators and the RSO. Review of the concept of assuring exposure to be "as low as reasonably achievable" will also be highlighted. Written Tests may also be incorporated within the training.

It is anticipated that each annual training course will include at least 3 hours of training and review.

I am hoping that the above items may be incorporated within our current license under an administrative amendment per this letter. If a fee is associated with this amendment, please advise, so I may review the entire permit and its references and assure that each specific item is to the standards that we have been performing, and that each item does indeed meet the requirements of your agency.

If you have any questions or requirements that I have overlooked, please feel free to contact me at our main office, 118 West Main Street, PO Box 1130, Elk Point SD. I can be reached at 605.356.2308.

Sincerely,



John Ries, PE, RSO
McLaury Flannery Engineering, Inc.

Enc: Certifications.

HAZMAT Certification

as required by 49 CFR 172, Subpart H

Recertification required 3 years from training date

This certifies that

John Ries

has been trained and tested in accordance with the U.S. Department of Transportation hazardous material requirements for general awareness/familiarization, function-specific, and safety training as related to the transportation of nuclear gauges. A description of the training course materials is available from Troxler.

12/12/2002

Training Date

12/12/2005

Expiration Date

Greg Farnen

Instructor



Troxler Electronic Laboratories, Inc.

PO Box 12057 • 3008 Cornwallis Rd. • Research Triangle Park, NC 27709
Phone: (919) 549-8661 • Fax: (919) 549-0761 • www.troxlerlabs.com

Certified by

Company Official: _____

Company Name: _____

Company Address: _____

Enrollment ID: 1602

Certificate of Completion

This certifies that

John Ries

has successfully completed the

Radiation Safety Officer Class

conducted by the training department of

Troxler Electronic Laboratories, Inc.



Greg Farnen
Instructor

12/12/2002
Date

William F. Troxler, Jr.
President



Troxler Electronic Laboratories, Inc.

PO Box 12057 • 3008 Cornwallis Rd. • Research Triangle Park, NC 27709

Phone: (919) 549-8661 • Fax: (919) 549-0761 • Web site: www.troxlerlabs.com

Enrollment ID: 1602

TROXLER ELECTRONIC LABORATORIES, INC.

HEREBY CERTIFIES THAT

JOHN RIES

of

SOUTH DAKOTA STATE DEPARTMENT OF TRANSPORTATION

HAS SUCCESSFULLY COMPLETED THE TROXLER ELECTRONIC LABORATORIES, INC.
TRAINING COURSE FOR THE USE OF NUCLEAR TESTING EQUIPMENT.

SUBJECTS INCLUDED IN THIS COURSE WERE AS FOLLOWS:

Radiological Safety

1. Principles and practices of radiation protection.
2. Leak testing procedures.
3. Mathematics and calculations basic to the use and measurement of radioactivity.
4. Biological effects of radiation.
5. Radioactivity measurement standardization and monitoring techniques and instruments.
6. Accident and incident procedures.
7. Procedures for nuclear gauge storage and transportation.
8. General safety precautions.

Gauge Operation

1. Instrument theory
2. Operating procedures
3. Maintenance
4. Field application
5. Gauge calibration

Bob Wilson
INSTRUCTOR

03-14-91
DATE

W. F. TROXLER
PRESIDENT

No 37880

APR - 4 2003

DATE

This is to acknowledge the receipt of your letter/application dated 2/10/03, and to inform you that the initial processing, which includes an administrative review, has been performed.

There were no administrative omissions. Your application will be assigned to a technical reviewer. Please note that the technical review may identify additional omissions or require additional information.

Please provide to this office within 30 days of your receipt of this card:

The action you requested is normally processed in 90 days.

A copy of your action has been forwarded to our License Fee & Accounts Receivable Branch, who will contact you separately if there is a fee issue involved.

Your action has been assigned Mail Control Number 469603.
When calling to inquire about this action, please refer to this mail control number.
You may call me at 817-860-8103.

Sincerely,

Colleen Murahan

Licensing Assistant

NRC FORM 532 (RIV)
(11-1999)

(FOR LFMS USE)
INFORMATION FROM LTS

BETWEEN:

License Fee Management Branch, ARM
and
Regional Licensing Sections

Program Code: 03121
Status Code: 0
Fee Category: 3P
Exp. Date: 20071130
Fee Comments:
Decom Fin Assur Req'd: N

LICENSE FEE TRANSMITTAL

A. REGION

1. APPLICATION ATTACHED
Applicant/Licensee: FLANNERY ENGINEERING, INC.
Received Date: 20030214
Docket No: 3034578
Control No.: 469603
License No.: 40-27571-01
Action Type: Amendment

2. FEE ATTACHED
Amount: _____
Check No.: 1

3. COMMENTS
Signed Cassie Murahan
Date 4/14/03

B. LICENSE FEE MANAGEMENT BRANCH (Check when milestone 03 is entered /__/)

1. Fee Category and Amount: _____
2. Correct Fee Paid. Application may be processed for:
Amendment _____
Renewal _____
License _____
3. OTHER _____

Signed _____
Date _____