



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

December 23, 2004

Ms. Karen Fagg, President
HKM Engineering, Inc
P.O. Box 31318
Billings, Montana 59107-1318

SUBJECT: RESPONSE TO NRC INSPECTION REPORT 030-12845/04-001

Dear Ms. Fagg:

Thank you for your letter received by NRC on November 26, 2004, in response to the violations identified in our letter and Notice of Violation dated November 2, 2004. We have reviewed your reply and find it responsive to the concerns raised in our Notice of Violation. We will review the implementation of your corrective actions during future inspections to determine that full compliance has been achieved and will be maintained.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/Adams.html>.

Please note that on October 25, 2004, the NRC suspended public access to ADAMS, and initiated an additional security review of publicly available documents to ensure that potentially sensitive information is removed from the ADAMS database accessible through the NRC's web site. Interested members of the public may obtain copies of the referenced documents for review and/or copying by contacting the Public Document Room pending resumption of public access to ADAMS. The NRC Public Document Room is located at NRC Headquarters in Rockville, MD, and can be contacted at 800-397-4209 or 301-415-4737 or pdr@nrc.gov.

Sincerely,

/RA/

Mark R. Shaffer, Chief
Nuclear Materials Inspection Branch

Docket No.: 030-12845
License No: 25-17492-01

cc w/copy of licensee's letter received by NRC on 11/26/04:
Montana Radiation Control Program Director

