

OFFICIAL RECORD COPY

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 I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 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). 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. Sigmon Coal Company Inc. Sigmon Preparation Plant		3. License Number 45-25396-01
2. Route 1, Box 81 Keokee, Virginia 24265		4. Expiration Date July 31, 2007
		5. Docket or Reference No. 030-34475

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. Any sealed source registered pursuant to 10 CFR 32.210 or an equivalent Agreement State regulation	A. No single source to exceed 74 MBq (20 millicuries) per source. (See item 9.A and B)
B. Americium 241	B. Any sealed source registered pursuant to 10 CFR 32.210 or an equivalent Agreement State regulation	B. No single source to exceed 11.1 GBq (300 millicuries) per source (see item 9A. and B)

9. **Authorized Use:**
 A. and B. **Sealed source(s) contained in compatible non-portable gauging devices (registered pursuant 10 CFR 32.210 or an equivalent Agreement State regulation) for measuring properties of materials and/or controlling industrial processes.**

CONDITIONS

- 10. **Licensed material shall be used only at the licensee's facilities located at Sigmon Preparation Plant, Rt. 1, Box 81, Keokee, VA 24265 [Directions: From Pennington Gap, VA go 11 miles East on State Route 606].**
- 11. **The Radiation Safety Officer for this license is Doug Shackelford.**
- 12. **Licensed material shall be used by, or under the supervision of, Doug Shackelford, Chester Fugate or individuals who have satisfactorily completed the device manufacturer's training program and been trained in the licensee's standard operating and emergency procedures.**

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**MATERIALS LICENSE
SUPPLEMENTARY SHEET**

License Number	45-25396-01
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CONDITIONS

- 13. A. Sealed sources shall be tested for leakage and/or contamination at intervals not to exceed 6 months or at such other intervals as specified by the certificate of registration referred to in 10 CFR 32.210.
- B. In the absence of a certificate from a transferor indicating that a leak test has been made within 6 months prior to the transfer, a sealed source received from another person shall not be put into use until tested.
- C. Sealed sources need not be leak tested if they contain only a radioactive gas; or not more than 100 microcuries of beta and/or gamma emitting material or, are in storage, and are not being used. However, when they are removed from storage for use or transferred to another person, and have not been tested within the required leak test interval, they shall be tested before use or transfer. No sealed source or detector cell shall be stored for a period of more than 10 years without being tested for leakage and/or contamination.
- D. The leak test shall be capable of detecting the presence of 0.005 microcurie of radioactive material on the test sample. If the test reveals the presence of 0.005 microcurie or more of removable contamination, a report shall be filed with the U.S. Nuclear Regulatory Commission in accordance with 10 CFR 30.50(b)(2), and the source shall be removed immediately from service and decontaminated, repaired, or disposed of in accordance with Commission regulations. The report shall be filed within 5 days of the date the leak test result is known with the U.S. Nuclear Regulatory Commission, Region II, Division of Nuclear Materials Safety, Atlanta Federal Center, 61 Forsyth Street S.E., Suite 23T85, Atlanta, Georgia 30303. The report shall specify the source involved, the test results, and corrective action taken.
- E. The licensee is authorized to collect leak test samples for analysis by Scan Technologies, 2915 Courtyards Drive Suite B, Norcross, GA 30071. Alternatively, tests for leakage and/or contamination may be performed by persons specifically licensed by the Commission or an Agreement State to perform such services.
- 14. Installation, initial radiation surveys, relocation, removal from service, or any similar activity with devices containing licensed material shall be performed only by Scan Technologies, Inc. or persons specifically licensed by the Commission or an Agreement State to perform such services.
- 15. Sealed sources containing licensed material shall not be opened or removed from their respective source holders by the licensee.
- 16. Each gauge shall be tested for the proper operation of the on-off mechanism and indicator, if any, at no longer than six-month intervals or at such longer intervals as specified by the manufacturer and approved by NRC.
- 17. The licensee shall operate each gauge within the manufacturer's specified temperature and/or environmental limits such that the shielding and shutter mechanism of the source holder are not compromised.
- 18. The licensee shall assure that the shutter mechanism is locked in the closed position during periods when a portion of an individual's body may be subject to the direct radiation beam. The licensee shall review and modify as appropriate its "lock-out" procedures whenever a new gauge is obtained to incorporate the device manufacturer's recommendations.
- 19. The licensee shall conduct a physical inventory every 6 months to account for all sources and/or devices received and possessed under the license.

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- 20. The licensee shall maintain records of information important to safe and effective decommissioning at the location specified in Item 10 pursuant to the provisions of 10 CFR 30.35(g) until this license is terminated by the Commission.
- 21. In addition to the possession limits in item 8, the licensee shall further restrict the possession of licensed material to quantities below the minimum limit specified in 10 CFR 30.35(d) for establishing decommissioning financial assurance.
- 22. Prior to initial use and after installation, relocation, dismantling, alignment, or any other activity involving the source or removal of the shielding, the licensee shall assure that a radiological survey is performed to determine radiation levels in accessible areas around, above and below the gauge with the shutter open.

This survey shall be performed only by persons authorized to perform such services by the Commission or an Agreement State.
- 23.A. The licensee may not possess and use materials authorized in Items 6, 7, and 8, until: 1) the licensee has constructed facilities and obtained the equipment described in the application and supporting documentation; and 2) the U.S. Nuclear Regulatory Commission, Region II, ATTN: Chief, MLJB1, Atlanta Federal Center, 61 Forsyth Street S.E., Suite 23T85, Atlanta GA 30303, has been notified in writing that activities authorized by the license will be initiated.
- B. In accordance with the requirements set forth in 10 CFR 30.36(b), the licensee shall promptly notify the Nuclear Regulatory Commission, in writing of a decision not to complete the facility, acquire equipment, or possess and use authorized material.
- 24. Except as specifically provided otherwise in this license, the licensee shall conduct its program in accordance with the statements, representations, and procedures contained in the documents including any enclosures, listed below. The Nuclear Regulatory Commission's regulations shall govern unless the statements, representations and procedures in the licensee's application and correspondence are more restrictive than the regulations.
 - A. Application dated May 19, 1997
 - B. Letter dated August 22, 1997 [Additional information about the licensee's radiation protection program.]

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

EARL G. WRIGHT

By Earl G. Wright
Region II, Division Nuclear Materials Safety
Atlanta Federal Center
61 Forsyth Street S.W. Suite 23T85
Atlanta, GA 30303

Date AUG 26 1997

[Signature]
8/26/97

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