



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, ILLINOIS 60532-1352

JUN 18 2006

Matthew Stuck
Radiation Safety Officer
H & D, Inc.
06795 US-31 North
Bay Shore, MI 49711

Dear Mr. Stuck:

Enclosed is Amendment No. 05 to your NRC Material License No. 21-26389-01 in accordance with your request dated April 18, 2006, requesting a change of control of your NRC license. Based upon our review of the information you provided, the NRC consents to the change of control. Please note that the changes made to your license are printed in **bold** font.

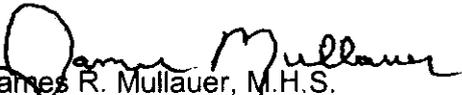
Please review the enclosed document carefully and be sure that you understand all conditions. If there are any errors or questions, please notify the U.S. Nuclear Regulatory Commission, Region III office at (630) 829-9887 so that we can provide appropriate corrections and answers.

In accordance with our phone conversation on June 9, 2006, the following changes were made to your NRC license; (1) your license now authorizes 3 troxler gauges based on your current inventory. If you wish to possess addition gauging devices, you will need to amend your license. (2) License Condition No. 13(D) was updated in accordance with current requirements in 10 CFR 30.50(c)(2); and (3) License Condition No. 15, which addresses security criteria for portable nuclear gauges, has been modified in its entirety to incorporate additional security measures. These security measures are based on revisions to 10 CFR Part 30, by the addition of paragraph 30.34(l), "Security requirements for portable gauges," as published in the Federal Register on January 12, 2005, with an effective date of July 11, 2005. The final rule requires a portable gauge licensee to use a minimum to two independent physical controls that form tangible barriers to secure portable gauges from unauthorized removal whenever the portable gauges are not under the control and constant surveillance of the licensee. You should have previously received a copy of this regulatory requirement by mail. This mailing included a revised copy of Appendix H, "Operating, Emergency, and Security Procedures," of NUREG 1556 Volume 1, Revision 1, Consolidated Guidance About Materials Licenses; Program-Specific Guidance About Portable Gauge Licenses, dated November 2001, which incorporates these changes.

You will be periodically inspected by NRC. Failure to conduct your program in accordance with NRC regulations, license conditions, and representations made in your license application and supplemental correspondence with NRC will result in enforcement action against you. This could include issuance of a notice of violation, or imposition of a civil penalty, or an order suspending, modifying or revoking your license as specified in the General Statement of Policy and Procedure for NRC Enforcement Actions. Since serious consequences to employees and the public can result from failure to comply with NRC requirements, prompt and vigorous enforcement action will be taken when dealing with licensees who do not achieve the necessary meticulous attention to detail and the high standard of compliance which NRC expects of its licensees.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). The NRC's document system is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,


James R. Mullauer, M.H.S.
Health Physicist
Materials Licensing Branch

License No. 21-26389-01
Docket No. 030-32683

Enclosure: Amendment No. 05