



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

October 19, 2006

C&J's NDT, Inc.
ATTN: Chuck Schaan
Radiation Safety Officer
7705 55th Avenue SE
Bismarck, ND 58504

SUBJECT: INCREASED CONTROLS FOR POSSESSION OF RADIOACTIVE MATERIALS
IN QUANTITIES OF CONCERN

The U.S. Nuclear Regulatory Commission ("NRC" or "Commission") has determined that additional controls are necessary to supplement existing regulatory requirements in 10 CFR § 20.1801 and 10 CFR § 20.1802. These increased controls are required with respect to the possession of "quantities of concern". Enclosure A to this letter contains the requirements for the increased controls; Enclosure B identifies radioactive material quantities of concern; and Enclosure C contains questions and answers regarding implementation of the increased controls. Based upon your application for an NRC byproduct materials license, you may either be: 1) authorized to possess radioactive materials in quantities of concern, or 2) authorized to possess radioactive material sources which, if collocated, meet the activity for quantities of concern. Therefore, the enclosed documentation is provided in order for you to implement the additional requirements before you either come into possession of quantities of concern; or possess radioactive material sources which, if collocated, would meet the activity for quantities of concern.

If you determine that compliance with the increased controls for quantities of concern is not necessary because you do not intend to possess radioactive material in quantities of concern, or if you have any questions regarding the increased controls, please contact me at (817) 276-6552 or by email to rsb3@nrc.gov.

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

Thank you for your cooperation.

Sincerely,

/RA/

Rachel S. Browder, Health Physicist
Nuclear Materials Licensing Branch

Docket No.: 030-37322
License No.: 33-29238-01
Control No.: 471084

Enclosures: As stated