UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

February 28, 2007

Docket No. 03037401 License No. 37-31218-01
Control No. 140031

Brian Hodges
President
Lancer Systems LP
2075 Detwiler Road
Kulpsville, PA 19443

SUBJECT: LANCER SYSTEMS LP, NEW LICENSE, CONTROL NO. 140031

Dear Mr. Hodges:

This refers to your request for an NRC license. Enclosed with this letter is the license. 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 I Office, Licensing Assistance Team, (610) 337-5239, so that we can provide appropriate corrections and answers.

When submitting future license amendments, please have the document signed by a management representative rather than the Radiation Safety Officer. The NRC views a letter signed by a management representative as indication that management has reviewed the application and concurs in the statements and representations contained therein. In addition, please note that NRC Form 313 requires the applicant, by signature, to verify that the applicant understands that all statements contained in the application are true and correct to the best of the applicant's knowledge. The signatory for the application should be the licensee or a certifying official of the licensee rather than a consultant.

The NRC is required to have your Taxpayer Identification Number in order to make payments (refunds). The self-addressed, stamped NRC Form 531, "Request for Taxpayer Identification Number," is enclosed.

The NRC expects licensees to conduct their programs with meticulous attention to detail and high standards of safety and compliance. Because of the serious consequences to employees and the public that can result from failure to comply with NRC requirements, you must conduct your program according to NRC regulations, the conditions of your NRC license, and the representations made in your application. In particular, note that you must:

1. Operate in accordance with NRC regulations 10 CFR Part 19, "Notices, Instructions and Reports to Workers; Inspections," 10 CFR Part 20, "Standards for Protection Against Radiation," and other applicable regulations.

2. Notify the NRC in writing of any change in mailing address.

3. In accordance with 10 CFR 30.36(d), notify the NRC, promptly, in writing, and request termination of the license

   a) when you decide to terminate all activities involving materials authorized under the license; or

   b) if you decide not to acquire or possess and use authorized material.

4. Request and obtain a license amendment before you:

   a) change Radiation Safety Officers;

   b) order byproduct material in excess of the amount, or radionuclide, or form different than authorized on the license; or

   c) add or change the areas of use, or addresses of use identified in the license application or on the license; or

   d) change the name or ownership of your organization.

5. Submit a complete renewal application or termination request at least 30 days before the expiration date of your license. You will receive a reminder notice approximately 90 days before the expiration date. Possession of byproduct material after your license expires is a violation of NRC regulations.

You will be periodically inspected by the NRC. Failure to conduct your program safely and in accordance with NRC regulations, license conditions, and the 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, imposition of a civil penalty, or an order suspending, modifying or revoking your license.

An environmental assessment for this action is not required, since this action is categorically excluded under 10 CFR 51.22(c)(14).

Current NRC regulations and guidance are included on the NRC's website at www.nrc.gov; select **Nuclear Materials; Medical, Industrial, and Academic Uses of Nuclear Material;** then **Toolkit Index Page.** Or you may obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-888-293-6498. The GPO is open from 7:00 a.m. to 9:00 p.m. EST, Monday through Friday (except Federal holidays).

Thank you for your cooperation.

Sincerely,

Original signed by Elizabeth Ullrich

Betsy Ullrich
Senior Health Physicist
Commercial and R&D Branch
Division of Nuclear Materials Safety

Enclosure:
1. NRC Form 531
2. License No. 37-31218-01

cc:
Anne M. Stumpf, Radiation Safety Officer

DOCUMENT NAME: C:\FileNet\ML070660369.wpd

SUNSI Review Complete: EUllrich
After declaring this document "An Official Agency Record" it **will** be released to the Public.

To receive a copy of this document, indicate in the box: "**C**" = Copy w/o attach/encl "**E**" = Copy w/ attach/encl "**N**" = No copy

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NAME	EUllrich ***/BU/***							
DATE	2/28/07							

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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. Lancer Systems LP	3. License number 37-31218-01
2. 2075 Detwiler Road Kulpsville, Pennsylvania 19443	4. Expiration date March 31, 2017
	5. Docket No. 030-37401 Reference No.

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. Nickel 63	A. Foil or plated sources (Isotope Product Laboratories Model NER-004R)	A. 15 millicuries per source and 9 curies total

9. Authorized use:

A. For use and/or possession incident to:
   (1) Research, development, manufacture, and testing of drift tube assemblies for chemical detector devices.
   (2) Installation into or removal from drift tube assemblies for chemical detector devices..
   (3) Installation, relocation, repair, and servicing of the licensee's devices including the leak testing of sealed sources and radiation surveys of devices.
   (4) Distribution of the drift tube assemblies for chemical detector devices to persons authorized to receive the licensed material pursuant to terms and conditions of specific licenses issued by the U.S. Nuclear Regulatory Commission or any Agreement State.

CONDITIONS

10. Licensed material may be used or stored only at the licensee's facilities located at 7566 Morris Court, Suite 300, Allentown, Pennsylvania.

11. Licensed material shall be used by, or under the supervision of, Anne M. Stumpf and Glenn Ward.

12. The Radiation Safety Officer for this license is Anne M. Stumpf.

13. The licensee shall not use licensed material in or on human beings.

License Number
37-31218-01

Docket or Reference Number
030-37401

MATERIALS LICENSE
SUPPLEMENTARY SHEET

14. This license does not authorize commercial distribution of licensed material to persons generally licensed pursuant to 10 CFR Part 31 or to persons exempt from licensing pursuant to 10 CFR 30.14 through 30.21, inclusive, or equivalent regulations of any Agreement State.

15. A. Sealed sources shall be tested for leakage and/or contamination at intervals not to exceed six months or at the intervals specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission under 10 CFR 32.210 or under equivalent regulations of an Agreement State.

    B. Notwithstanding Paragraph A of this Condition, sealed sources designed to primarily emit alpha particles shall be tested for leakage and/or contamination at intervals not to exceed 3 months.

    C. Each sealed source fabricated by the licensee shall be inspected and tested for construction defects, leakage, and contamination prior to any use or transfer as a sealed source.

    D. In the absence of a certificate from a transferor indicating that a leak test has been made within the intervals specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission under 10 CFR 32.210 or under equivalent regulations of an Agreement State, prior to the transfer, a sealed source received from another person shall not be put into use until tested and the test results received.

    E. Sealed sources need not be tested if they contain only hydrogen-3; or they contain only a radioactive gas; or the half-life of the isotope is 30 days or less; or they contain not more than 100 microcuries of beta- and/or gamma-emitting material or not more than 10 microcuries of alpha-emitting material.

    F. Sealed sources need not be tested if they 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 shall be stored for a period of more than 10 years without being tested for leakage and/or contamination.

    G. The leak test shall be capable of detecting the presence of 0.005 microcurie (185 becquerels) of radioactive material on the test sample. If the test reveals the presence of 0.005 microcurie (185 becquerels) or more of removable contamination, a report shall be filed with the U.S. Nuclear Regulatory Commission in accordance with 10 CFR 30.50(c)(2), and the source shall be removed immediately from service and decontaminated, repaired, or disposed of in accordance with Commission regulations.

    H. Tests for leakage and/or contamination, limited to leak test sample collection, shall be performed by the licensee or by other persons specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such services. The licensee is not authorized to perform the analysis; analysis of leak test samples must be performed by persons specifically licensed by U.S. Nuclear Regulatory Commission or an Agreement State to perform such services.

    I. Records of leak test results shall be kept in units of microcuries and shall be maintained for 5 years.

License Number
37-31218-01

Docket or Reference Number
030-37401

MATERIALS LICENSE
SUPPLEMENTARY SHEET

16. The licensee shall conduct a physical inventory every six months, or at other intervals approved by the U.S. Nuclear Regulatory Commission, to account for all sources and/or devices received and possessed under the license. Records of inventories shall be maintained for 5 years from the date of each inventory and shall include the radionuclides, quantities, manufacturer's name and model numbers, and the date of the inventory.

17. The licensee is authorized to transport licensed material in accordance with the provisions of 10 CFR Part 71, "Packaging and Transportation of Radioactive Material."

18. 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 U.S. 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 January 30, 2007 [ML070320707]
    B. Letter dated February 15, 2007 [ML070540407]

For the U.S. Nuclear Regulatory Commission

Date February 28, 2007

By ***Original signed by Elizabeth Ullrich***

Elizabeth Ullrich
Commercial and R&D Branch
Division of Nuclear Materials Safety
Region I
King of Prussia, Pennsylvania 19406