



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

May 14, 2007

Centennial Collaborative, Inc.
ATTN: Christi Johnson
Radiation Safety Officer
237 North Main
Sheridan, Wyoming 82801

SUBJECT: LICENSE AMENDMENT AND NOTICE OF VIOLATION

The NRC has reviewed your license amendment request dated February 7, 2007 and Change of Control information received on May 9, 2007, and determined that a change of control took place as specified in 10 CFR 30.34(b), regarding NRC License No. 49-26861-01. We hereby give NRC's consent to the same pursuant to 10 CFR 30.34(b). Please find enclosed Amendment No. 06 to License No. 49-26861-01, which approves the change of control from Centennial Engineering & Research, Inc. to Centennial Collaborative, Inc. You should review this license carefully and be sure that you understand all conditions contained therein. An environmental assessment for this action is not required, since this action is categorically excluded under 10 CFR 51.22(c)(14)(viii).

Notwithstanding the approval of this change of control, the NRC has determined that a violation of NRC requirements occurred. This violation was evaluated in accordance with the NRC Enforcement Policy. The NRC Enforcement Policy is available on the NRC Website address: <http://www.nrc.gov/what-we-do/regulatory/enforcement/enforc-pol.pdf>. The violation identified during the review of your change of control request is cited in the enclosed Notice of Violation (Notice). This violation involved transfer of control of NRC License No. 49-26861-01 without obtaining prior written consent from the NRC. This violation is being cited in the Notice because it was identified by the NRC, rather than being self-identified by the licensee.

Our review of your letter dated February 7, 2007, and Change of Control information received on May 9, 2007, indicates that the transfer of license control from Centennial Engineering & Research, Inc. to Centennial Collaborative, Inc. should not have taken place until the NRC had given its prior written consent, as required by 10 CFR 30.34(b). However, the information provided was sufficient to grant approval and amend NRC License No. 49-26861-01 in accordance with the Atomic Energy Act of 1954, as amended (Act). Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

As a new license holder, the NRC needs your Taxpayer Identification Number in order to make payments (refunds). Please complete and return NRC Form 531, "Request for Taxpayer Identification Number," which is enclosed for your convenience.

The regulations in 10 CFR 30.34, Terms and conditions of licenses, was revised to enhance the security requirements for portable gauges containing byproduct material. This revision became effective July 11, 2005. Revised 10 CFR 30.34 now requires that "each portable gauge licensee shall use a minimum of two independent physical controls that form tangible barriers to secure portable gauges from unauthorized removal, whenever portable gauges are not under the control and constant surveillance of the licensee" (i.e., when not in use). Guidance on these security procedures is provided in the errata sheet for Appendix H of NUREG-1556, Volume 1, Revision 1 which may be located at: <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1556/v1/r1/>.

The radioactive material quantity amounts authorized in Items 8.A. through 8.D. were modified to reflect a possession limit for cesium-137 and americium-241 to quantities below the International Atomic Energy Agency's Category 3 amounts of radioactive material. Possession of radioactive material in quantities below the Category 3 thresholds indicates that the license can be made publicly available after issuance since it does not meet the Sensitive Unclassified Non-Safeguards Information criteria as described in NRC's Regulatory Issue (RIS) Summary 2005-31. The RIS may be located on the NRC Web site at: <http://www.nrc.gov/reading-rm/doc-collections/gen-comm/reg-issues/2005/>. Additionally, the link for frequently asked questions may be located at: <http://www.nrc.gov/reading-rm/faqlist.html>, then select "Withholding of Sensitive Information."

NRC expects licensees to conduct their programs with meticulous attention to detail and a high standard of 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 radiation safety program according to the conditions of your NRC license, representations made in your license application, and NRC regulations. In particular, note that you must:

1. Operate by NRC regulations 10 CFR Part 19, "Notices, Instructions and Reports to Workers: Inspection and Investigations," 10 CFR Part 20, "Standards for Protection Against Radiation," and other applicable regulations.
2. Notify NRC in writing of any change in mailing address.
3. In accordance with 10 CFR 30.36(d), notify NRC, promptly, in writing within 60 days, and request termination of the license:
 - a. When you decide to terminate all activities involving materials authorized under the license whether at the entire site or any separate building or outdoor area;
 - b. If you decide not to acquire or possess and use authorized material; or
 - c. When no principal activities under the license have been conducted for a period of 24 months.
4. Request and obtain a license amendment before you:
 - a. Change Radiation Safety Officers;
 - b. Order byproduct material in excess of the amount, radionuclide or form authorized on the license;

- c. Add or change the areas or address(es) of use identified in the license application or on the license; or
- d. Change the name or ownership of your organization.

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 certifying official rather than a consultant. Since the NRC also accepts a letter requesting amendment or renewal of an NRC license, the signatory for such a request should also be the licensee or certifying official rather than a consultant.

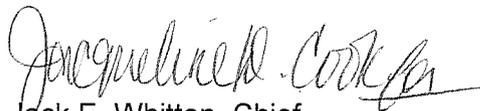
NRC will periodically inspect your radiation safety program. Failure to conduct your program according to NRC regulations, license conditions, and representations made in your license application and supplemental correspondence with NRC may result in enforcement action against you. This could include issuance of a notice of violation; imposition of a civil penalty; or an order suspending, modifying, or revoking your license as specified in the NRC Enforcement Policy. The NRC Enforcement Policy is available on the following internet address: <http://www.nrc.gov/what-we-do/regulatory/enforcement/enforc-pol.pdf>.

The NRC no longer publishes the NRC Rules and Regulations loose leaf supplements. However, an electronic version of the NRC's regulations is available on the NRC Web site at <http://www.nrc.gov/reading-rm/doc-collections/cfr/>. An electronic version of the NUREG-1556 Series publications is also available on the NRC Web site at: <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1556/>.

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 NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Should you have any questions concerning this licensing action, please contact Rachel S. Browder at (817) 276-6552.

Sincerely,



Jack E. Whitten, Chief
Nuclear Materials Licensing Branch

Docket: 030-29654
License: 49-26861-01
Control: 471254

Enclosures: As stated

ENCLOSURE 1

NOTICE OF VIOLATION

Centennial Collaborative, Inc.
Sheridan, Wyoming

Docket No.: 030-29654
License No.: 49-26861-01

During an NRC review of license amendment request dated February 7, 2007 and Change of Control information received on May 9, 2007, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 30.34(b) states that no license issued or granted pursuant to the regulations, in this part and Parts 31 through 36, and 39 nor any right under a license shall be transferred, assigned or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of the Atomic Energy Act of 1954, as amended (Act) and shall give its consent in writing.

Contrary to the above, a change in control occurred in February 2007, when NRC License No. 49-26861-01 was transferred from Centennial Engineering & Research, Inc. to Centennial Collaborative, Inc. This direct transfer of an NRC license was made without first providing the NRC an opportunity to determine whether the transfer was in accordance with the provisions of the Act and to consent in writing prior to the transfer.

This is a Severity Level IV violation (Supplement VI).

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to take in order to correct the violation and prevent recurrence, and the date when full compliance was achieved is already adequately addressed in the correspondence already received. However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555 with a copy to the Regional Administrator Region IV, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

If you choose to respond, your response will be made 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). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room). Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Dated this 14th day of May 2007

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	In accordance with letter dated February 7, 2007
1. Centennial Collaborative, Inc.	3. License number 49-26861-01 is amended in its entirety to read as follows:
2. 237 North Main Sheridan, Wyoming 82801	4. Expiration date May 31, 2013
	5. Docket No. 030-29654 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. Cesium-137	A. Sealed sources (AEA Technology/QSA, Inc. Model No. CDCW556; Isotope Product Model No. HEG-137)	A. 100 millicuries total. No single source to exceed the maximum activity specified in the certificate of registration issued by NRC or an Agreement State
B. Americium-241	B. Sealed neutron sources (AEA Technology/QSA, Inc. Model No. AMNV.997; Isotope Product Model Nos. Am1.NO2, 3021 or 3027)	B. 500 millicuries total. No single source to exceed the maximum activity specified in the certificate of registration issued by NRC or an Agreement State
C. Cesium-137	C. Sealed source (Humbolt Scientific, Inc. Drawing 2200064)	C. 120 millicuries total. No single source to exceed the maximum activity specified in the certificate of registration issued by NRC or an Agreement State
D. Americium-241	D. Sealed source (Humbolt Scientific, Inc. Drawing 2200067)	D. 500 millicuries total. No single source to exceed the maximum activity specified in the certificate of registration issued by NRC or an Agreement State

9. Authorized use:

- | | |
|-----------|---|
| A. and B. | In Troxler Electronic Laboratories, Model No. 3400 Series, portable gauging devices for measuring physical properties of materials. |
| C. and D. | In Humbolt Scientific, Inc., Model 5001, portable gauging devices for measuring physical properties of materials. |

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SUPPLEMENTARY SHEET**License Number
49-26861-01Docket or Reference Number
030-29654

Amendment No. 06

CONDITIONS

10. Licensed material may be used or stored at the licensee's facilities located at:
- A. 400 South Miller Avenue, Gillette, Wyoming
 - B. 237 North Main, Sheridan, Wyoming
 - C. Temporary job sites anywhere in the United States where the U.S. Nuclear Regulatory Commission maintains jurisdiction for regulating licensed material.

If the jurisdiction status of a Federal facility within an Agreement State is unknown, the licensee should contact the federal agency controlling the job site in question to determine whether the proposed job site is an area of exclusive Federal jurisdiction. Authorization for use of radioactive materials at job sites in Agreement States not under exclusive Federal jurisdiction shall be obtained from the appropriate state regulatory agency.

11. Licensed material shall only be used by, or under the supervision and in the physical presence of, individuals who have received the training described in the application dated January 22, 2003.
12. The Radiation Safety Officer (RSO) for this license is Christi Johnson.
13. 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), 40.36(b), and 70.25(d) for establishing financial assurance for decommissioning.
14. A. Sealed sources shall be tested for leakage and/or contamination at intervals not to exceed the intervals specified in the certificate of registration issued by U.S. Nuclear Regulatory Commission under 10 CFR 32.210 or by an Agreement State.
- B. 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 U.S. Nuclear Regulatory Commission under 10 CFR 32.210 or by an Agreement State prior to the transfer, a sealed source or detector cell received from another person shall not be put into use until tested.
- C. Sealed sources need not be leak 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.

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- D. 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. 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 IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011, ATTN: Director, Division of Nuclear Materials Safety. The report shall specify the source involved, the test results, and corrective action taken.
- E. Tests for leakage and/or contamination shall be performed by persons specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such services. In addition, the licensee is authorized to collect leak test samples but not perform the analysis; analysis of leak test samples must be performed by persons specifically licensed by the Commission or an Agreement State to perform such services.
- F. Records of leak test results shall be kept in units of microcuries and shall be maintained for 3 years.
15. Sealed sources or source rods containing licensed material shall not be opened or sources removed or detached from source rods or gauges by the licensee, except as specifically authorized.
16. The licensee shall conduct a physical inventory every 6 months, or at other interval approved by U.S. Nuclear Regulatory Commission, to account for all sources and/or devices received and possessed under the license.
17. Except for maintaining labeling as required by 10 CFR Part 20 or 71, the licensee shall obtain authorization from the U.S. Nuclear Regulatory Commission before making any changes in the sealed source, device, or source-device combination that would alter the description or specifications as indicated in the respective Registration Certificates issued either by the Commission pursuant to 10 CFR 32.210 or by an Agreement State.
18. Each portable nuclear gauge shall have a lock or outer locked container designed to prevent unauthorized or accidental removal of the sealed source from its shielded position. The gauge or its container must be locked when in transport, storage or when not under the direct surveillance of an authorized user.
19. Any cleaning, maintenance, or repair of the gauges that requires detaching the source or source rod from the gauge shall be performed only by the manufacturer or other persons specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such services.

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20. A. If the licensee uses unshielded sealed sources extended more than 3 feet below the surface, the licensee shall use surface casing that extends from the lowest depth to 12 inches above the surface and other appropriate procedures to reduce the probability of the source or probe becoming lodged below the surface. If it is not feasible to extend the casing 12 inches above the surface, the licensee shall implement procedures to ensure that the cased hole is free of obstruction before making measurements.
- B. If a sealed source or probe containing sealed sources becomes lodged below the surface and it becomes apparent that efforts to recover the sealed source or probe may not be successful, the licensee shall notify the U.S. Nuclear Regulatory Commission and submit the report required by 10 CFR 30.50(b)(2) and ©. The licensee shall not abandon the sealed source or probe without obtaining the Commission's prior written consent.
21. The licensee is authorized to transport licensed material only in accordance with the provisions of 10 CFR Part 71, "Packaging and Transportation of Radioactive Material."
22. 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 22, 2003
B. Letter dated February 7, 2007
C. Change of Control received May 9, 2007

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

Date: May 14, 2007By: Rachel S. Browder, Health Physicist
Nuclear Materials Licensing Branch
Region IV
Arlington, Texas 76011

bcc w/enclosure (via ADAMS distrib):

LDWert

CLCain

VHCampbell

ADGaines

JEWhitten

RJTorres

JDCook

RSBrowder

RIV Materials Docket File (5th floor)

SUNSI Review Completed: RSB ADAMS: Yes No Initials: RSB
 Publicly Available Non-Publicly Available Sensitive Non-Sensitive

DOCUMENT NAME: S:\DNMS\Nmlb\Lic\AO\49-26861-01rsb.wpd

RIV:DNMS:NMLB	C:NMLB	
RSBrowder	JEWhitten <i>(Signature)</i>	
<i>RSBrowder</i>	<i>(Signature)</i>	
<i>5/14/07</i>	<i>5/14/07</i>	

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