UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
612 EAST LAMAR BOULEVARD, SUITE 400
ARLINGTON, TEXAS 76011-4125

November 21, 2008

SK Geotechnical Corporation
ATTN: Lowell F. Klocke
Radiation Safety Officer
P.O. Box 16123
Missoula, Montana 59808-6123

SUBJECT: LICENSE RENEWAL

Please find enclosed Amendment No. 04 to NRC License No. 25-27594-01 **renewing this license in its entirety.** An environmental assessment for this action is not required, since this action is categorically excluded under 10 CFR 51.22(c)(14)(viii). You should review the enclosed document carefully and be sure that you understand all conditions. You can contact me at 817-860-8189 if you have any questions about this license.

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. By 10 CFR 30.36(d) and/or license condition, notify NRC, promptly, in writing, 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.

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

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/reading-rm/doc-collections/enforcement/.

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.

Thank you for your cooperation.

Sincerely,

**/RA/**

Roberto J. Torres, Senior Health Physicist
Nuclear Materials Safety Branch B

Docket: 030-34794
License: 25-27594-01
Control: 471928

Enclosure: As stated

U.S. NUCLEAR REGULATORY COMMISSION

Amendment No. 04

# 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. SK Geotechnical Corporation | In accordance with application and E-mail dated August 27, 2008 and October 31, 2008, respectively<br>3. License number 25-27594-01 is amended in its entirety to read as follows: |
| 2. P.O. Box 16123<br>Missoula, Montana 59808-6123 | 4. Expiration date November 30, 2018 |
| | 5. Docket No. 030-34794<br>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; or Isotope Product Laboratories Model No. HEG-137) | A. 9 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; or Isotope Product Laboratories Model Nos. Am1.NO2, 3021 or 3027) | B. 44 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 sources (CPN International, Inc., Model CPN-131) | C. 80 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 neutron sources (CPN International, Inc., Model CPN-131) | D. 400 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. To be used in Troxler Electronic Laboratories, Inc., Model No. 3400 Series portable gauging devices for measuring physical properties of materials.

C. and D. To be used in CPN International, Inc., Model MC Series PORTAPROBE portable gauging devices for measuring physical properties of materials.

**MATERIALS LICENSE**
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CONDITIONS

10. Licensed material may be used or stored only at the licensee's facilities located at:

    A. 4041 Whippoorwill Drive, Building B, Missoula, Montana,

    B. 2611 Gabel Road, Billings, Montana, and

    C. Temporary job sites anywhere in the United States where the U.S. Nuclear Regulatory Commission maintains jurisdiction for regulating the use of licensed material, including areas of exclusive Federal jurisdiction within Agreement States.

    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 application dated August 27, 2008. Furthermore, the licensee is authorized to provide in-house training as described in application dated August 27, 2008 and E-mail dated October 31, 2008.

12. The Radiation Safety Officer (RSO) for this license is Lowell F. Klocke.

13. 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.

    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, 612 East Lamar Boulevard, Suite 400, Arlington, Texas 76011-4125, ATTN: Director, Division of Nuclear Materials Safety. The report shall specify the source involved, the test results, and corrective action taken.

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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.

14. 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.

15. The licensee shall conduct a physical inventory every 6 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.

16. When performing tests at temporary job sites, the authorized user shall not leave the moisture/density gauge unattended. Upon completion of tests the device shall be locked in the licensee's vehicle or a secure building to prevent unauthorized use, loss, or theft.

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. A minimum of two independent physical controls that form tangible barriers to secure portable gauges from unauthorized removal whenever the portable gauge is not under the control and constant surveillance of the licensee are required.

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.

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 (c). The licensee shall not abandon the sealed source or probe without obtaining the Commission's prior written consent. Notification and reporting requirements should be made to the NRC Emergency Operations Center at 301-816-5100.

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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 August 27, 2008 (ML082700368)
    B. E-mail dated October 31, 2008 (ML083260455)

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

Date November 21, 2008

By **/RA/**

Roberto J. Torres, Senior Health Physicist
Nuclear Materials Safety Branch B
Region IV
Arlington, Texas 76011