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DNMS



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May 26, 2009

U.S. NRC Region IV
Attn: Mr. Anthony Gaines
Texas Health Resources Tower
612 E. Lamar Blvd., Suite 400
Arlington, TX 76011-4125

Subject: Knife River - Mountain Region
Nuclear Density Gauge Licensing Plan

Dear Mr. Gaines:

Thank you for speaking with Zach Knoop and me recently regarding our radiation safety programs and our agreed upon approach for ensuring adequate licensing for density gauges in Knife River's Mountain Region. As Mr. Knoop and I indicated during our conversation, Knife River is wholly committed to working with NRC to ensure that all applicable requirements are being met at our various operations, both in agreement states and non-agreement states.

As we agreed during our telephone call, Knife River must submit a complete license application to NRC by July 18, 2009 to remain within the specified 60-day timeline (with a start date of May 19). Recognizing the importance of this matter, however, Knife River has completed our application and will submit it via certified mail by no later than May 29, 2009. Our intention is to maintain two Seaman units in our Missoula, MT office and one in our Belgrade, MT office. We will continue with our existing radiation safety program in Missoula, and expand it to our Belgrade operations accordingly. This program currently includes radiation exposure badge testing, leak testing, verification of location of source, and a double lock-down protocol.

Knife River genuinely appreciates your assistance in this matter. Please do not hesitate to contact me via email at ned.pettit@kniferiver.com or by telephone at (701) 530-1421 if you have any questions or require additional information.

Regards,

A handwritten signature in cursive script, appearing to read "Edward M. Pettit".

Edward M. "Ned" Pettit
Environmental Manager - Knife River Corporation

c: Dave Schmit, Knife River Mountain Region
Dave Zinke, Knife River Mountain Region
Bob Berland, Knife River Mountain Region
Jack Brown, Knife River Mountain Region
Frank O'Connor, Knife River Mountain Region
Pat Hayden, Knife River Mountain Region
Zach Knoop, Knife River Corporation