

Roldan, Lizette

From: Jerry Koon [JKoon@mttunnels.com]
Sent: Wednesday, May 23, 2012 11:24 AM
To: Roldan, Lizette
Subject: RE: NRC e-mail
Attachments: QalTec Quote_3765.pdf

Hi Lizette,

I have attached the quote for disposal of our nuclear devices, and I am awaiting word back from our corporate office in Denver as to when we can expect to proceed with disposal. I'm guessing it will be within 60 days, as that is the validity of the disposal quote.

As we discussed on the phone, our mining operation is currently shut down, maintaining a staff of just six key management personnel. The devices are not in use, but are still securely attached to the equipment they were used on, and located inside isolated, un-manned buildings. The property is covered by security day and night.

I will contact John Schaefer today about getting you a letter stating the training he gave me before his departure. If you have any other questions, please don't hesitate to contact me.

Thank you for all of your kind assistance,

Jerry

*Jerry P. Koon
Materials/Contracts Manager
Montana Tunnels Mining, Inc.
Elkhorn Goldfields, Inc.
Phone: 406-933-8314 X 2821
Fax: 877-581-3966
Cell: 406-431-0497
Email: jkoon@mttunnels.com*

From: Roldan, Lizette [<mailto:Lizette.Roldan@nrc.gov>]
Sent: Wednesday, May 23, 2012 9:35 AM
To: Jerry Koon
Subject: NRC e-mail

Dear Mr. Koon,

Please attach the quote you received from Qual-tech.

Thanks,

Lizette Roldán-Otero, Ph.D.

Health Physicist
U.S. Nuclear Regulatory Commission
1600 E. Lamar Blvd.
Arlington, TX 76011-4511
Office: 817-200-1596
Fax: 817-200-1188



Instrumentation and Professional Services

To: Montana Tunnels Mining Inc.
P.O. Box 176
Jefferson City, MT USA 59638

Name: John Schaefer
Phone #: 406-495-2807
Fax #: 406-933-8373

Date: 5/16/2012

DSPQ# 2012:3765

Pursuant to our recent discussions, I am providing you a quotation for the receipt and disposal of your Radioactive Material by our company.

Subject to review and approval of your completed Disposal Inquiry Approval Forms, leak test certification documents, and final declaration of the material for disposal.

Our Pricing for this service is on the attached Price Quote.

Our Terms and Conditions for the transaction are also attached, but I would like to bring to your attention the following specific points.

This service is subject to the continuing approval of the appropriate disposal site for the receipt of material of this kind.

The price as quoted will be valid for all deliveries up to 60 days of this letter. We will be pleased to enter into an extended contract, but prices may be subject to change should the disposal costs change significantly in any way.

If, for some reason, the sources are not described on the original declaration, then Qal-Tek Associates LLC reserves the right to return the sources at your expense. If the packaging and/or condition of the radioactive material is found to be unsafe, we will re-package the material and return at your expense.

If the material is found to contain loose radioactive contamination on the exposed surfaces, Qal-Tek Associates will advise and propose to you the most appropriate course of action. This may involve the returning of the sources or sealing the sources such that it is acceptable for Qal-Tek Associates to receive.

Additional costs associated with this will be advised at the time.

The price quoted does not include shipping or packaging costs from your facility to Qal-Tek Associates premises. However, this service can be provided upon request, if needed, for a nominal cost. If you do not have an appropriate shipping container, then we will be pleased to send you one.

50% of total cost is due prior to first shipment with remaining balance due upon Qal-Tek's receipt of sources.

Once payment in the amount of 50% of the quoted price has been received, Qal-Tek will issue to you an "Authorization To Ship" (ATS). The ATS# provided must be clearly written on the address label of all packages sent to Qal-Tek Associates. Shipments without an ATS# will be refused and returned to sender.

Thank you for providing Qal-Tek Associates with the opportunity to serve you. Please be assured that we continually strive to provide you with the most cost effective and efficient service available. If you have any questions regarding this quotation, please do not hesitate to contact me directly.

Dee Armstrong



Instrumentation and Professional Services

Disposal Price Quotation

To: Montana Tunnels Mining Inc.
P.O. Box 176
Jefferson City, MT USA 59638

Name: John Schaefer
Phone #: 406-495-2807
Fax #: 406-933-8373

Date: 5/16/2012

DSPQ# 2012:3765

The following services are included in this price quote:

- (A) Review and approval of shipping documents, material declaration forms, leak tests, etc. for receipt of your material at our facility.
- (B) Provide all necessary shipping labels (if required)
- (C) Provide technical assistance (if needed) on regulatory requirements (i.e. radiation levels, labels, etc.)
- (D) Preparation of all paperwork for disposal at a federal repository or approved disposal site.
- (E) Coordinate and schedule an appropriate shipping / receipt date
- (F) Perform receipt inspections to meet NRC regulatory requirements
- (G) Unload shipping container and repackage (if necessary) for disposal
- (H) Validate source(s) identification against your original declaration & report any discrepancies to you
- (I) Generate and provide to you a letter certifying transfer of custody of your material to us for disposal

SPECIAL TERMS:

None

Qty.	Item #	Item Description	Unit Cost	Units	Total
1.00	Travel Expenses	Lodging, Car, Meals, Fuel, etc.	\$250.00	ea	\$250.00
15.00	CS0006	Labor - Professional Services for removal from service, and prep for transport, and final documentation for four IPG's. This also includes final area swipes and/or contamination checks and final documentation for final license termination.	\$160.00	hr	\$2,400.00
9.00	LR0005	Travel Rate: Round trip from Idaho Falls to Jefferson, MT.	\$55.00	hr	\$495.00
1.00	DIS0007	Standard Disposal Service For Ronan SA1-C5, Cs137 of 1000 mCi.	\$2,940.00	ea	\$2,940.00
2.00	DIS0005	Standard Disposal Service for 2 Ronan SA8-C10, inst. numbers MO-926 and MO-927 Each of 150mCi's of Cs-137.	\$1,860.00	ea	\$3,720.00
1.00	DIS0006	Standard Disposal Service for one Ronan SA8-C10, MO-931, Cs-137 300 mCi	\$2,520.00	ea	\$2,520.00
Grand Total:					\$12,325.00

The team at Qal-Tek Associates will work to minimize your costs and all risk and inconvenience to you. You can be confident of a compliant and cost effective service.

This quotation is valid for 30 days and is subject to our Terms and Conditions appended.

To process this quotation please telephone: **Dee Armstrong @ (208) 523-5557**

IMPORTANT SHIPPING NOTICE:

Do not ship without prior written consent of Qal-Tek Associates, which we will provide to you in the form of an "Authorization To Ship" after all document and schedule reviews and approvals have been completed. Generally this can be provided within 24-48 hours depending on the quantity and

type of radioactive materials requiring disposal.

Manager:	<u>Harold Dale Snower</u>	Salesman:	_____	Client:	_____
Print:	<u>Dale Snower</u>	Print:	_____	Print:	_____
Date:	<u>5/16/2012 13:42</u>	Date:	_____	Date:	_____



May 24, 2012

US NRC Region IV
Lizette Roldan-Otero, Ph.D.
1600 E. Lamar Blvd.
Arlington, TX 76011-4511

Dear Ms. Roldan-Otero,

Further to my letter dated May 16, 2012, I wish to inform NRC that prior to my departure from Montana Tunnels Mining, I held a training session for Jerry Koon pertaining to my duties as Radiation Safety Officer. I also had a telephone conversation with Mr. Roberto Torres regarding the assignment of a replacement RSO prior the submittal of the subject letter. He informed me at that time that the assigned person did not require radiation safety training certification immediately and that the letter should be cosigned by a responsible person of the company, which it was.

On May 17, 2012, I covered the following radiation related information with Mr. Koon:

- Visual inspection of the four fixed gauge radiation sources on site
- Review of the last recorded inspection and inventory of the gauges and date for next inspection
- Radiation Safety as it pertains to the 4 fixed gauge radiation sources on site
- Location of the office files relating to inspections, licensing and radiation leak tests
- US NRC Region IV contact information
- Qal-Tek Associates contact information pertaining to disposal of the gauges

With this training, I am confident that Mr. Koon can manage the temporary standby storage, and eventual disposal of the four gauges. I remain available to Mr. Koon to answer any further questions that he may have regarding the radiation materials program at Montana Tunnels Mining, Inc.

Sincerely,

A handwritten signature in black ink that reads "John Schaefer". The signature is written in a cursive style.

John Schaefer