



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION III  
2443 WARRENVILLE RD. SUITE 210  
LISLE, IL 60532-4352

NOV 20 2018

Akilah C. Calhoun  
Radiation Safety Officer  
Phillips 66 Pipeline, LLC  
2331 CityWest Blvd.  
Houston, TX 77042

Dear Ms. Calhoun:

Enclosed is Amendment No. 1 to your NRC Material License No. 42-15582-01 in accordance with your request. Please note that your license format has been updated based on our new licensing process, and the manufacturer of your devices, formerly Texas Nuclear Corporation, has been updated in accordance with the Registry of Radioactive Sealed Sources and Devices. In addition, based on the licensing policy we have modified the following License Conditions: Condition No. 11 regarding the authorized gauge user training requirement, Condition No. 13 regarding the sealed source leak tests requirement, Condition No. 15 requiring that records of inventories be maintained for 3 years, and Condition No. 16 regarding the on-off mechanism (shutter) testing requirement. We removed Condition No. 24 in the previous amendment regarding the decommissioning financial assurance requirements because it is not applicable to your license, and Condition No. 25 in the previous amendment regarding the transportation requirement because this requirement is already stated in the regulations in 10 CFR part 71.

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 III office at (630) 829-9887 so that we can provide appropriate corrections and answers.

You will be periodically inspected by NRC. Failure to conduct your program in accordance with NRC regulations, license conditions, and 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, or imposition of a civil penalty, or an order suspending, modifying or revoking your license as specified in the General Statement of Policy and Procedure for NRC Enforcement Actions. Since serious consequences to employees and the public can result from failure to comply with NRC requirements, prompt and vigorous enforcement action will be taken when dealing with licensees who do not achieve the necessary meticulous attention to detail and the high standard of compliance which NRC expects of its licensees.

The NRC's Safety Culture Policy Statement became effective in June 2011. While a policy statement and not a regulation, it sets forth the agency's *expectations* for individuals and organizations to establish and maintain a positive safety culture. You can access the policy statement and supporting material that may benefit your organization on NRC's safety culture Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/safety-culture.html>. We strongly encourage you to review this material and adapt it to your particular needs in order to develop and maintain a positive safety culture as you engage in NRC-regulated activities.

The enclosed document contains sensitive security-related information.  
When separated from this cover letter this letter is uncontrolled.

A. Calhoun

-2-

NRC's Regulatory Issue Summary (RIS) 2005-31 provides criteria to identify security-related sensitive information and guidance for handling and marking of such documents. This ensures that potentially sensitive information is not made publicly available through ADAMS, the NRC's electronic document system. Pursuant to NRC's RIS 2005-31 and in accordance with 10 Code of Federal Regulations 2.390, the enclosed license document is exempt from public disclosure because its disclosure to unauthorized individuals could present a security vulnerability. The RIS may be located on the NRC Web site at: <http://www.nrc.gov/reading-rm/doc-collections/gen-comm/reg-issues/2005/ri200531.pdf> and the link for frequently asked questions regarding protection of security related sensitive information may be located at: <http://www.nrc.gov/reading-rm/sensitive-info/faq.html>.

In accordance with Title 10 of the Code of Federal Regulations (CFR) 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,



Erin J. Kennedy  
Health Physicist  
Materials Licensing Branch

License No. 42-15582-01  
Docket No. 030-38900

Enclosure: Amendment No. 1