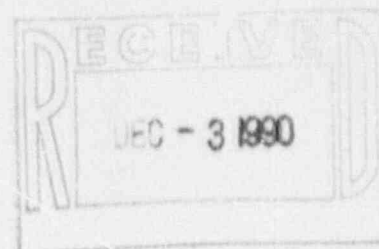


KIEWIT MINING GROUP INC.

P.O. Box 3040
Sheridan, Wyoming 82801
(307) 672-3401



November 27, 1990

A. Bill Beach
U.S.N.R.C.
Region IV
611 Ryan Plaza, Suite 1000
Arlington, TX 76011

Re: License 49-26845-01
Docket 30-29475/90-01

Dear Mr. Beach:

This letter is in response to the Notice of Violation issued to Peter Kiewit Sons' Company by your office on August 22, 1990. It is overdue because of my inattention in replying to the violation. I regret any inconvenience this may have caused and hope that my tardiness in this matter will be viewed as an accidental oversight rather than an intentional act of non-compliance.

The licensed Americium source stored at the Big Horn Coal mine was transferred from our Mining office to that location in December, 1988. During this same time period our Mining office location was moved from the town of Sheridan, Wyoming to its present site at Big Horn Coal. I failed to realize that our license needed an amendment to include the Big Horn Coal storage location, as the Sanford Ranch site mentioned in our license was also located at Big Horn Coal.

Prior to the move from town, the Americium source was stored in a trailer behind the Kiewit Mining town office. This trailer was moved to Big Horn Coal at the same time that the office was transferred out there. Subsequently, the source was moved out of the trailer and into the vacant lab building at Big Horn Coal. This was done due to the lab's higher security characteristics, such as steel entry doors and limited personnel access. The source shall remain locked in this building until such time as it is disposed of. The Sanford Ranch site at Big Horn Coal was disassembled and moved out of the county around 1984, prior to the eastward advance of Big Horn's Pit #3. It was at that time that the source was moved into the town office. The Sanford Ranch site no longer exists at Big Horn Coal and should be removed from the list of source storage locations. The Kiewit Mining town office has been sold since the move in 1988 and should also be removed as a source storage location.

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We would like to apply for an amendment to our license in order to designate the Big Horn Coal lab site as a storage location for the Americium source. This will update our license and answer the questions raised by the Notice of Violation. Should it be deemed necessary to move the source storage site in the future, your office shall be notified in advance and no action shall be taken prior to USNRC approval. Future storage of the source shall be in compliance with USNRC regulations upon approval of the present source storage site at Big Horn Coal.

Again, I must apologize for the late reply to the Notice of Violation. When we received your letter of August 22, the Notice of Violation was not included in the correspondence due to an inadvertent oversight by your mailroom personnel. I assumed, incorrectly, that the Notice was forthcoming and I placed your letter into my files until such time that we received the Notice and we could reply to it in a manner that would directly address the issues raised. As a result, I forgot about the Notice of Violation and the reply due within the 30 day period. This morning, I was cleaning up old business and found your letter still unanswered. I called your office and Carol Duke sent me a copy of the Notice through the fax machine. I promptly sat down to write this reply to the Notice of Violation.

Please contact me at your earliest convenience about further work that needs to be performed so that we can come into compliance with regulations and satisfy all of your needs with the violation. My office is now located at:

Decker Coal Company
P. O. Box 12
Decker, MT 59025
(406) 757-2561 Ext. 241

In addition, I would appreciate any suggestions you may have about the disposal of our Americium source. We no longer use it in our field work and are looking for assistance with its disposal.

Sincerely,

Bjarne D. Kristiansen
Radiation Safety Office
Peter Kiewit Sons' Company