

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, 39, 40 and 70, and in reliance on statements and representations heretofore made by the licensee, this license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material described 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. Express Pipeline

2. #3900, 421 - 7 Avenue SW
Calgary, Alberta, Canada T2P 4K9

In accordance with letter dated
April 24, 1997

3. License number 54-27553-01 is amended in
its entirety to read as follows:

4. Expiration date January 31, 2002

5. Docket or
Reference No 030-34320

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
registered either
with NRC under
10 CFR 32.210 or with
an Agreement State
and incorporated in a
compatible gauging
device as specified
in Item 9 of this
license

A. See Condition
9.A.

9. Authorized use

A. To be used, for evaluated and approved licensing purposes, in Rosemont/Kay-Ray/Sensall, Inc.; TN Technologies, Inc.; LFE Corporation, Inc.; Ohmart Corporation; Gamma-Metrics, Inc.; Ronan Engineering Company; Berthold Systems, Inc.; and Data Measurement Corporation fixed gauging devices that have been registered either with NRC under 10 CFR 32.210 or with an Agreement State and have been distributed in accordance with an NRC or Agreement State specific license authorizing distribution to persons specifically authorized by an NRC or Agreement State license to receive, possess, and use the devices.

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PDR ADOCK 03034320
C PDR



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**MATERIALS LICENSE
SUPPLEMENTARY SHEET**

License Number

54-27553-01

Docket or Reference Number

030-34320

Amendment No. 01

CONDITIONS

10. Licensed material shall be used only at the licensee's facilities located at Eagle Buttes Station, Section 9-24N R12E, east of Ft. Benton, Montana; Straw Station, Section 36-T13N R15E, near Hobson, Montana; Greybull Station, Section 1-T51N R94W, near Greybull, Wyoming; Kirby Creek Station, Section 13-T42N R92W, near Thermopolis, Wyoming.
11. A. Licensed material shall be used by, or under the supervision of, Tim Zboya.
B. The Radiation Safety Officer for this license is Tim Zboya.
12. Sealed sources or detector cells containing licensed material shall not be opened or sources removed from source holders by the licensee.
13. A. Sealed sources and detector cells shall be tested for leakage and/or contamination at intervals not to exceed 6 months or at such other intervals as specified by the certificate of registration referred to in 10 CFR 32.210.
B. Notwithstanding Paragraph A of this Condition, sealed sources designed to emit alpha particles shall be tested for leakage and/or contamination at intervals not to exceed 3 months.
C. In the absence of a certificate from a transferor indicating that a leak test has been made within 6 months prior to the transfer, a sealed source or detector cell received from another person shall not be put into use until tested.
D. Each sealed source fabricated by the licensee shall be inspected and tested for construction defects, leakage, and contamination prior to any use or transfer as a sealed source.
E. Sealed sources need not be leak tested if:
 - (i) they contain only hydrogen-3; or
 - (ii) they contain only a radioactive gas; or
 - (iii) the half-life of the isotope is 30 days or less; or
 - (iv) they contain not more than 100 microcuries of beta and/or gamma emitting material or not more than 10 microcuries of alpha emitting material; or

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License Number

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13. E. (Continued)

(v) they are not designed to emit alpha particles, 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 or detector cell shall be stored for a period of more than 10 years without being tested for leakage and/or contamination.

F. The leak test shall be capable of detecting the presence of 0.005 microcurie of radioactive material on the test sample. If the test reveals the presence of 0.005 microcurie or more of removable contamination, a report shall be filed with the U.S. Nuclear Regulatory Commission in accordance with 10 CFR 30.50(b)(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, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011, ATTN: Director, Division of Nuclear Material Safety. The report shall specify the source involved, the test results, and corrective action taken.

G. The licensee is authorized to collect leak test samples for analysis by Kay-Ray, Inc. Alternatively, tests for leakage and/or contamination may be performed by persons specifically licensed by the Commission or an Agreement State to perform such services.

14. Each gauge shall be tested for the proper operation of the on-off mechanism and indicator, if any, at no longer than 6-month intervals or at such longer intervals as specified by the manufacturer and approved by U.S. Nuclear Regulatory Commission.

15. Installation, initial radiation surveys, relocation, removal from service, or any similar activity with devices containing licensed material shall be performed only by persons specifically licensed by the Commission or an Agreement State to perform such services. The licensee may initially mount the device only in accordance with written instructions provided by the manufacturer; however, the device may not be used until surveyed by a person specifically licensed by the Commission or an Agreement State to install gauges. The licensee may maintain, repair, or replace device components not directly associated with the device's sealed source, its related shielding, or the device's on-off mechanism; and that will not result in increased radiation levels in accessible areas about the device.

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16. Prior to initial use and after installation, relocation, dismantling, alignment, or any other activity involving the source or removal of the shielding, the licensee shall assure that a radiological survey is performed to determine radiation levels in accessible areas around, above, and below the gauge with the shutter open. This survey shall be performed only by persons authorized to perform such services by the Commission or an Agreement State.
17. The licensee shall operate each gauge within the manufacturer's specified temperature and/or environmental limits such that the shielding and shutter mechanism of the source holder are not compromised.
18. The licensee shall assure that the shutter mechanism is locked in the closed position during periods when a portion of an individual's body may be subject to the direct radiation beam. The licensee shall review and modify as appropriate its "lock-out" procedures whenever a new gauge is obtained to incorporate the device manufacturer's recommendations.
19. The licensee shall conduct a physical inventory every 6 months to account for all sources and/or devices received and possessed under the license.
20. In addition to the possession limits in Item 8, the licensee shall further restrict the possession of licensed material to quantities below the minimum limit specified in 10 CFR 30.35(d) for establishing decommissioning financial assurance.
21. 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 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 December 20, 1996
 - B. Letter dated January 15, 1997
 - C. Facsimile of letter dated January 24, 1997

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

Date MAY 2 1997

By

Billie Gruszynski
Billie Gruszynski
Nuclear Materials Licensing Branch
Region IV, Arlington, Texas 76011



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

May 2, 1997

Express Pipeline
ATTN: Tim Zboya
Radiation Safety Officer
#3900, 421-7 Avenue SW
Calgary, Alberta, Canada T2P4K9

SUBJECT: LICENSE AMENDMENT

Please find enclosed License No. 54-27553-01, Amendment 01. You should review this license carefully and be sure that you understand all conditions. If you have any questions, you may contact the reviewer who signed your license at (817)860-8120.

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 which can result from failure to comply with NRC requirements, you must conduct your program involving radioactive materials in accordance with the conditions of your NRC license, representations made in your license application, and NRC regulations. In particular, note that you must:

1. Operate in accordance with 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. Possess radioactive material only in the quantity and form indicated in your license.
3. Use radioactive material only for the purpose(s) indicated in your license.
4. Notify NRC in writing of any change in mailing address (no fee required if the location of radioactive material remains the same).
5. Request and obtain written NRC consent before transferring your license or any right thereunder, either voluntarily or involuntarily, directly or indirectly, through transfer of control of your license to any person or entity. A transfer of control of your license includes not only a total change of ownership, but also a change in the controlling interest in your company whether it is a corporation, partnership, or other entity. In addition, appropriate license amendments must be requested and obtained for any other planned changes in your facility or program that are contrary to your license or contrary to representations made in your license application, as well as supplemental correspondence thereto, which are incorporated into your license. A license fee may be charged for the amendments if you are not in a fee-exempt category.

6. Maintain in a single document decommissioning records that have been certified for completeness and accuracy listing all the following items applicable to the license:
 - Onsite areas designated or formerly designated as restricted areas as defined in 10 CFR 20.3(a)(14) or 20.1003.
 - Onsite areas, other than restricted areas, where radioactive materials in quantities greater than amounts listed in Appendix C to 10 CFR 20.1001-20.2401 have been used, possessed, or stored.
 - Onsite areas, other than restricted areas, where spills or other unusual occurrences involving the spread of contamination in and around the facility, equipment, or site have occurred that required reporting pursuant to 10 CFR 30.50(b)(1) or (b)(4), including areas where subsequent cleanup procedures have removed the contamination.
 - Specific locations and radionuclide contents of previous and current burial areas within the site, excluding radioactive material with half-lives of 10 days or less, depleted uranium used only for shielding or as penetrators in unused munitions, or sealed sources authorized for use at temporary job sites.
 - Location and description of all contaminated equipment involved in licensed operations that is to remain onsite after license termination.
7. Submit a complete renewal application with proper fee, 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.
8. Request termination of your license if you plan to permanently discontinue activities involving radioactive material.

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; imposition of a civil

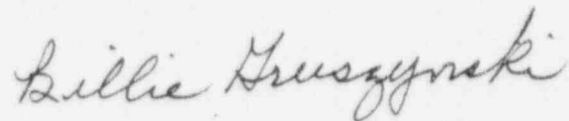
Express Pipeline

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penalty; or an order suspending, modifying, or revoking your license as specified in the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), 60 FR 34381, June 30, 1995.

Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Billie Gruszynski".

Billie Gruszynski (Ms.)
Nuclear Materials Licensing Branch

Docket: 030-34320
License: 54-27553-01
Control: 466392

Enclosures: As stated

DOCUMENT NAME: P:\EXPRPIPE.CVR

To receive a copy of this document, indicate in the box "C" - Copy without attachment/enclosure "E" - Copy with attachment/enclosure "N" - No Copy

RIV:NMLB	N						
BGruszynski	<i>Bg</i>						
512	197						

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(FOR LFMS USE)
INFORMATION FROM LTS

BETWEEN:

License Fee Management Branch, ARM
and
Regional Licensing Sections

Program Code: 03120
Status Code: 0
Fee Category: 3P
Exp. Date: 20020131
Fee Comments:
Decom Fin Assur Req: N

1997 MAY -6 PM 1:31

LICENSE FEE TRANSMITTAL

A. REGION IV

1. APPLICATION ATTACHED
Applicant/Licensee: EXPRESS PIPELINE
Received Date: 970428
Docket No: 3034320
Control No.: 466392
License No.: 54-27553-01
Action Type: Amendment

2. FEE ATTACHED
Amount:
Check No.: 4

3. COMMENTS

* See below Signed Billig Gruzynski
Date 5/2/97

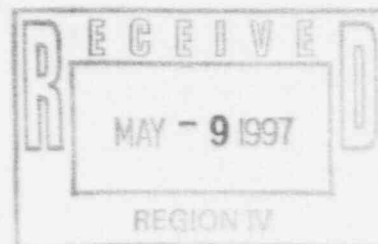
B. LICENSE FEE MANAGEMENT BRANCH (Check when milestone 03 is entered ✓)

1. Fee Category and Amount: 3P **FEE NOT REQUIRED**
2. Correct Fee Paid. Application may be processed for:
Amendment ✓ Cont 466284
Renewal
License

3. OTHER

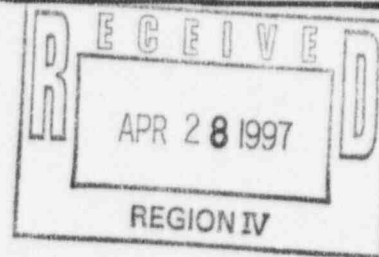
Signed
Date

Rita Messier
5/7/97



RECEIVED BY LFMS	
Date	<u>5/6/97</u>
Log	<u>Shay 1 IV</u>
By	<u>Kerr</u>
Date Completed	<u>5/7/97</u>

* Continuation of M/C # 466284. Bq

Express Pipeline

3900, 421 - 7TH AVENUE S.W.
CALGARY, ALBERTA T2P 4K9

BUS. (403) 691-8833
FAX. (403) 691-8856

FROM THE DESK OF TIM ZBOYA

Facsimile Transmission

TO: Billie Gruszynski
DATE: April 25, 1997

FAX: (817) 860-8188

PAGES INCLUDING COVER: 2

SUBJECT: License 54-27553-01

Please find attached a letter of notification for completion of Condition 10 as outlined in license 54-27553-01 for the Express Pipeline.

Regards,

Tim Zboya

THE INFORMATION CONTAINED IN THIS FAX IS INTENDED ONLY FOR THE PERSONAL AND CONFIDENTIAL USE OF THE DESIGNATED RECIPIENT NAMED ABOVE. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT OR AN AGENT RESPONSIBLE FOR DELIVERING IT TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT YOU HAVE RECEIVED THIS DOCUMENT IN ERROR, AND THAT ANY REVIEW, DISSEMINATION, DISTRIBUTION OR COPYING OF THIS MESSAGE IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE AND RETURN THE ORIGINAL TO US BY MAIL. THANK YOU.

Mailing and Executive Address:
#3900, 421 - 7th. Avenue S.W., Calgary, Alberta Canada T2P 4K9
TEL (403) 691-8822 Fax (403) 691-8856

Express Pipeline Partnership



1997-04-24

VIA FAX: (817) 860-8188

Nuclear Materials Licensing Section
U.S. Nuclear Regulatory Commission, Region IV
611 Ryan Plaza Drive, Suite 400
Arlington, Texas, USA
76011-8064

Attention: Ms Billie Gruszynski

Dear Ms Gruszynski:

**Re: Material License Number 54-27553-01
Control Number 466284
Express Pipeline ("Express")**

This letter provides notification to the Nuclear Regulatory Commission that the construction of the facilities described in Condition 10 of License 54-27553-01 are now completed.

In addition the following clarifications to Condition 10 are required:

- a) In the second line "west of Fort Benton" should read "east of Fort Benton"
- b) In the fourth line "Termopolis" should read "Thermopolis"

Please advise if the clarifications to Condition 10 are problematic.

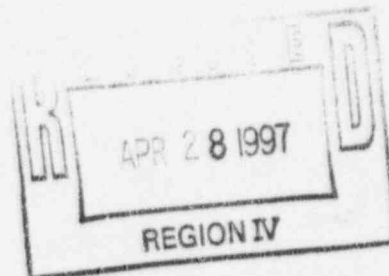
Should you have any questions regarding this matter, please do not hesitate to contact the undersigned (403) 691-8833.

Yours truly,

EXPRESS PIPELINE

Tim M. Zboya, P.Eng.
Manager, Operations and Engineering

TMZ/ich



Tim\correspondence\aecap2

04/24/97

Registered Address: Corporation Trust Centre 1208 Orange Street Wilmington Delaware U.S.A.

*** TOTAL PAGE. 02 ***

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