March 15, 2010

Mr. Gary Sanford, Director
Quality and Regulatory Affairs
Louisiana Energy Services, LLC
P.O. Box 1789
Eunice, NM 88231

SUBJECT: REVIEW OF EXECUTED FINANCIAL SURETY INSTRUMENT AND EXECUTED AMENDMENT TO STANDBY TRUST AGREEMENT LOUISIANA ENERGY SERVICES, LLC., EUNICE, NEW MEXICO SPECIAL NUCLEAR MATERIALS LICENSE SNM-2010 (TAC NOS. L32941 & L32940)

Dear Mr. Sanford:

Pursuant to the following excerpt from License Condition (LC) 12.b, Louisiana Energy Services, LLC (LES) is required to provide to the U.S. Nuclear Regulatory Commission (NRC) the final executed copies of the previously reviewed, draft financial instruments:

> "The licensee shall provide an updated Decommissioning Funding Plan cost estimate update and final copies of the proposed financial assurance instruments to NRC for review at least six months prior to the planned date for obtaining feed material (greater than 50 kilograms of uranium hexafluoride) for initial production in Separations Building Module (SBM) 1001, and provide to NRC final executed copies of the reviewed financial assurance instruments at least 21 days prior to the receipt of feed material. In this Decommissioning Funding Plan update, the licensee shall provide full funding for decontamination and decommissioning of SBM 1001 and all other plant areas where licensed material is used."

As demonstrated by NRC's letter dated January 11, 2010 (ML0927206190), a proposed financial instrument (a Surety Bond with a penal sum of $150 million) and proposed amendment to the Standby Trust Agreement (Amendment Number 1) were reviewed and found to be consistent with the recommended wording in NUREG-1757 Vol. 3.

As required by LC 12.b, on January 13, 2010 and January 26, 2010, LES submitted an executed copy of a Surety Bond and executed copy of Amendment Number 1 to the Standby Trust Agreement. The staff has completed a review of these executed financial instruments and found them to be acceptable. However, the executed financial instruments were not completely consistent with its respective proposed drafts, as reviewed for the January 11, 2010 letter. The deviations between the executed and proposed drafts were acceptable in this instance. However, it is important that future executed financial instruments are identical to their respective final, proposed drafts, as deviations may alter interpretation and therefore be deemed as not acceptable.

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

This terminates our efforts on this licensing action, therefore TAC L32941 and TAC L32940 have been **closed**.

If you have any questions regarding this letter, please contact Mr. Ty Naquin of my staff at (301) 492-3187 or via email to Tyrone.Naquin@nrc.gov.

Sincerely,

/RA/

Michael D. Tschiltz, Deputy Director
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 70-3103
License No.: SNM-2010

cc: (via e-mail)
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