

September 14, 2010

Mr. Gary Sanford
Licensing Director
Louisiana Energy Services, L.P.
P.O. Box 1789
Eunice, NM 88231

SUBJECT: APPROVAL OF LOUISIANA ENERGY SERVICES EXCEPTION REQUEST FOR ITEMS RELIED ON FOR SAFETY 42 (TAC NO L33009) AND LICENSE AMENDMENT REQUEST (LAR-10 -09) TO DELETE CONDITION 10.m. OF MATERIALS LICENSE SNM 2010 (TAC NO L33002)

Dear Mr. Sanford:

On July 26, 2010, Louisiana Energy Services (LES) transmitted a request for an exception to License Condition (LC) 20 for items relied on for safety (IROFS) 42 for Monitoring Support Equipment (MSE). Definitions for MSE and related terms were submitted May 2, 2010, in a License Amendment Request (LAR-10-04) for exceptions to the same LC for IROFS38 and C22. We have reviewed the submittal and are enclosing a Safety Evaluation Report (SER) of our review. Based on this review, the exception is approved. LC 20 has been modified to reflect this action.

On June 30, 2010, you submitted LAR-10-09, requesting to delete condition 10.m of your Materials License, SNM-2010. Condition 10.m applied to the Fundamental Nuclear Material Control Plan Attachment for the Hot Acceptance Testing (HAT), originally submitted as LAR-08-17, dated December 1, 2008, as revised by letters dated December 23, 2008; January 6, 2009; January 21, 2009; January 30, 2009; and February 4, 2009. In LAR-10-09, the request identifies the procedure for HAT was for the initial operation of the Centrifuge Test Facility for HAT and subsequent centrifuge testing, until the first cascade is brought online. The HAT procedure was not meant to apply to normal operation of the facility, for which authorization was transmitted on June 10, 2010. This temporary condition no longer applies, and the amendment is approved.

Additionally, on July 15, 2010, you submitted page changes to the LES Standard Practice Procedure Plan, addressing changes in the Movement Plan for Transportation of Classified Centrifuge Components/Materials between Tripartite Countries and the United States. Based on the review, NRC staff concludes that the changes were made in accordance with the NRC requirements set forth in 10 CFR 95.19(b) and are acceptable. The changes have been reviewed and are acceptable.

Enclosed is Amendment 39 to the license and a SER for the Exception to IROFS42. The amendment addresses the IROFS exception, LAR-10-09, and page changes to the LES SPPP. LC 10 has been modified to reflect these actions.

An environmental assessment for this action is not required, since this action is categorically excluded under Title 10 of the *Code of Federal Regulations* (10 CFR) Section 51.22(c)(11). Work performed under these Technical Assignment Controls (TAC NO L33009 and L33002) are complete and the TACs are closed. If you have any questions regarding this letter, please contact Mr. Ty Naquin of my staff at (301) 492-3187, or via email at Tyrone.Naquin@nrc.gov.

In accordance with 10 CFR 2.390 of the U.S. Nuclear Regulatory Commission's "Rules of Practice", a copy of this letter and its enclosures will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's Agency wide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

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

Enclosures:

1. Safety Evaluation Report
2. License Amendment 39

cc:

William Szymanski/DOE
Gary Don Reagan/Hobbs
Cindy Padilla/NMED
Glen Hackler/Andrews
Gary Schubert/Lea County
Michael Marriotte/NIRS
Jon Goldstein/NMED
Tannis Fox/NMED
Lindsay Lovejoy/NIRS

Alton Dunn/Jal
Daniel Stenger/H&H
Betty Rickman/Tatum
Matt White/Eunice
Richard Ratliff/Texas
CO'Claire/Ohio
Joseph Malherek/PC
Gary King/NMAG

Gregory Smith/LES
David Trujillo/Lovington
Clint Williamson/LES
John Parker/NMED
Lee Cheney/CNIC
Roger Mulder/Texas
Ron Curry/NMED
Glen Smith/NMAG

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Richard Ratliff/Texas
CO'Claire/Ohio
Joseph Malherek/PC
Gary King/NMAG

Gregory Smith/LES
David Trujillo/Lovington
Clint Williamson/LES
John Parker/NMED
Lee Cheney/CNIC
Roger Mulder/Texas
Ron Curry/NMED
Glen Smith/NMAG

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LES website – yes

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OFC	UEB	UEB	UEB	FFLD
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