

November 9, 2011

Mr. Zackary Rad
Licensing Manager
Louisiana Energy Services, LLC
P.O. Box 1789
Eunice, NM 88231

SUBJECT: REQUEST FOR AMENDMENT TO MATERIALS LICENSE SNM-2010 (LAR-11-09) TO REVISE THE FUNDAMENTAL NUCLEAR MATERIAL CONTROL PLAN (LICENSE CONDITION 10.e) (TAC L33154), FUNDAMENTAL NUCLEAR MATERIAL CONTROL PLAN UPDATE REVISION 13 (TAC L33136), AND AMENDMENT 49

Dear Mr. Rad:

On June 28, 2011, Louisiana Energy Services, LLC (LES) transmitted a request to amend your materials license based on the change to License Condition (LC) 10.e required to reflect the revision of the Fundamental Nuclear Material Control Plan (FNMCP). The changes have been reviewed and are found acceptable as discussed in the Safety Evaluation Report (SER) presented as Enclosure 1. The staff determined that the changes to the FNMCP are adequate and meet the measurement and measurement control program requirements of Title 10 of the *Code of Federal Regulations* (10 CFR) Part 74.33 (c)(2) and (3), and the amendment is approved. LC 10.e has been revised consistent with the staff's SER and TAC No. L33154 is closed.

By cover letter dated November 12, 2010, LES submitted Revision 12 of the FNMCP under the provisions of 10 CFR 70.32 and stated that the changes in the FNMCP's submittal do not decrease the effectiveness of the facility's Material Control and Accounting (MC&A) program as implemented pursuant to 10 CFR Part 74. During review by the staff of the Revision 12 submittal, a Request for Additional Information (RAI) was issued on March 12, 2011. Following the subsequent response submitted by the licensee on April 8, 2011, the staff recommended additional changes that should be made to the FNMCP for clarity. The licensee informed staff during a conference call on April 14, 2011, that additional changes had been made to the FNMCP since Revision 12 was submitted. The licensee stated they would address the RAI responses and any additional changes made pursuant to 10 CFR 70.32 in the next submittal. As stated in staff memorandum dated April 27, 2011, an SER for Revision 12 was not issued; and the subsequent SER would include changes made in Revision 12 and any additional changes submitted by the licensee at that time.

Document transmitted contains Security-Related information. When separated from Enclosures 1 and 2, this document is decontrolled.

Z. Rad

2

By cover letter dated May 3, 2011, the licensee submitted revisions to its FNMCP as Revision 13. The licensee included the non-substantive changes to Revision 12, as well as changes derived from the RAIs during the review of Revision 12. On June 1, 2011, the licensee submitted—under a separate document—changes to the classified Chapter 9 (Revision 4) of the FNMCP.

The staff reviewed the Revision 13 submittal and the Chapter 9, Revision 4 submittal and determined that additional information was needed to complete the review. The staff sent an RAI on July 13, 2011, and received the licensee's response on August 16, 2011. Consequently, a teleconference with the project manager, staff, and the licensee was held on September 8, 2011, to obtain clarification regarding some of the changes. On November 2, 2011, the licensee provided revised FNMCP pages to address the RAIs. The evaluations of the submitted revisions to the FNCMP were processed following the provisions of 10 CFR 70.34 to ensure there would be no decrease in the overall effectiveness of the licensee's MC&A program. The staff determined that the revised FNMCP contains appropriate and necessary commitments to meet applicable MC&A requirements stipulated in 10 CFR 74.33 and that approval of the revised FNMCP will not decrease the effectiveness of the licensee's safeguards system. Accordingly, the FNMCP changes are accepted and LC 10.e of Materials License SNM-2010 has been revised consistent with the SER presented as Enclosure 2. TAC L33136 is closed. Amendment 49 to your license is presented as Enclosure 3.

An Environmental Assessment for this action is not required, since this action is categorically excluded under 10 CFR 51.22(c)(11).

In accordance with 10 CFR 2.390 of the NRC'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 System component of NRC's Agencywide Documents Access and Management System (ADAMS) system. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Z. Rad

3

If you have any questions, please contact Mr. Greg Chapman at 301-492-3106 or via E-mail to gregory.chapman@nrc.gov.

Sincerely,

/RA/

Brian W. Smith, Chief
Uranium Enrichment Branch
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 for LAR 11-09
2. Safety Evaluation Report for Review of FNMCP Revision 13
3. Amendment 49 to LES License

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

Z. Rad

3

If you have any questions, please contact Mr. Greg Chapman at 301-492-3106 or via E-mail to gregory.chapman@nrc.gov.

Sincerely,

/RA/

Brian W. Smith, Chief
Uranium Enrichment Branch
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 for LAR 11-09
2. Safety Evaluation Report for Review of FNMCP Revision 13
3. Amendment 49 to LES License

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

DISTRIBUTION:

RidsNmssOd r/f	FCSS r/f	UEB r/f	JWeil/OCA
AGody/Reg II	DSeymour/Reg II	DMcIntyre/OPA	RHannah/Reg II
WMaier/Reg IV	CTaylor/Reg II	JKEverly/NSIR	BStapleton/NSIR

ML113110144

OFFICE	UEB	UEB	UEB
NAME	GChapman	LAllen	BSmith
DATE	11/9/2011	11/9/2011	11/9/2011

OFFICIAL RECORD COPY