**UNITED STATES**
**NUCLEAR REGULATORY COMMISSION**
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

August 24, 2012

Gary J. Laughlin, Chief Nuclear Officer
and Head of Technical Services
Louisiana Energy Services, National Enrichment Facility, L.L.C.
P.O. Box 1789
Eunice, NM 88231

SUBJECT: LOUISIANA ENERGY SERVICES, L.L.C., URENCO USA FACILITY, DOCKET NO. 70-3103, AUTHORIZATION TO INTRODUCE URANIUM HEXAFLUORIDE INTO CASCADE 2.11

Dear Mr. Laughlin:

This letter confirms that the Nuclear Regulatory Commission (NRC) authorized the introduction of uranium hexafluoride into Cascade 2.11 at the Louisiana Energy Services (LES), URENCO USA Facility located in Eunice, New Mexico on August 21, 2012. This authorization is pursuant to the provisions of Part 70, Paragraph 70.32(k) and 10 CFR 40.41(g) of Title 10 of the *Code of Federal Regulations* (CFR) that states, "No person may commence operation of a uranium enrichment facility until the Commission verifies through inspection that the facility has been constructed in accordance with the requirements of the license."

This NRC authorization is based on the results of construction and quality assurance inspections of various aspects of Assay 2 in Separation Building Module-1001, as described in the inspection reports listed in the Enclosure. The NRC staff determined that the systems, structures, and components designed to support safe operation of Cascade 2.11, including feed and withdrawal stations, were constructed in accordance with the requirements of your license. Specifically, our inspections provided: (1) reasonable assurance that the design, construction, and implementation of items relied on for safety (IROFS) will protect against natural phenomena and the consequences of potential accidents, (2) verification that the Quality Assurance Program was adequately implemented during construction, and (3) verification that the construction of the IROFS was completed in accordance with the documents comprising the license and the Integrated Safety Analysis.

The publically available inspection reports that describe the construction and quality assurance inspections of Cascade 2.11 are accessible through the NRC's public electronic reading room, Agency-wide Document Access and Management System (ADAMS) at http://www.nrc.gov/reading-rm/adams.htm at the accession numbers listed in the Enclosure.

Please note that this authorization does not apply to any cascades other than Cascade 2.11 and it does not apply to processes or components associated with future phases of facility operations.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," this document may be accessed through ADAMS on the internet at www.nrc.gov/reading-rm/adams.htm.

Should you have any questions concerning this letter, please contact Mr. Joselito Calle at 404-997-4418.

Sincerely,

**/RA/**

Anthony T. Gody, Director
Division of Fuel Facility Inspection

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

Enclosure:
Construction and Quality Assurance Inspection
Reports for Assay 2 in SBM-1001 as they
Pertain to Cascade 2.11

cc w/encl: (See page 3)

G. Laughlin

Please note that this authorization does not apply to any cascades other than Cascade 2.11 and it does not apply to processes or components associated with future phases of facility operations.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," this document may be accessed through ADAMS on the internet at www.nrc.gov/reading-rm/adams.htm.

Should you have any questions concerning this letter, please contact Mr. Joselito Calle at 404-997-4418.

Sincerely,

***/RA/***
Anthony T. Gody, Director
Division of Fuel Facility Inspection

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

Enclosure:
Construction and Quality Assurance Inspection
Reports for Assay 2 in SBM-1001 as they
Pertain to Cascade 2.11

cc w/encl: (See page 3)

Distribution w/encl:
J. Kinneman, NMSS
B. Smith, NMSS
M. Raddatz, NMSS
M. Bailey, NMSS
C. Ogle, RII
J. Yerokun, RII
S. Freeman, RII
L. Pitts, RII
J. Calle, RII
PUBLIC

X PUBLICLY AVAILABLE ☐ NON-PUBLICLY AVAILABLE ☐ SENSITIVE X NON-SENSITIVE
ADAMS: X Yes ACCESSION NUMBER: X SUNSI REVIEW COMPLETE X FORM 665 ATTACHED

| OFFICE | RII:DFFI | NMSS | | | | | |
|---|---|---|---|---|---|---|---|
| SIGNATURE | /RA/ | Via email | | | | | |
| NAME | JCalle | JKinneman | | | | | |
| DATE | 8/24/2012 | 8/24/2012 | 8/ /2012 | 8/ /2012 | 8/ /2012 | 8/ /2012 | 8/ /2012 |
| E-MAIL COPY? | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO |

OFFICIAL RECORD COPY DOCUMENT NAME: G:\DFFI\BRANCH 2\LES\2012\CASCADE 2 11 AUTHORIZATION LETTER.DOCX

cc w/encl:
Butch Tongate, Deputy Secretary
New Mexico Department of Environment
Office of the Secretary
1190 St. Francis Drive
P. O. Box 26110
Santa Fe, NM 87502-0157

Matt White, Mayor
City of Eunice
P.O. Box 147/1106 Ave J
Eunice, NM 88231

The Honorable Sam D. Cobb, Mayor
City of Hobbs
200 E. Broadway
Hobbs, NM 88240

Alton Dunn, Mayor
City of Jal
P.O. Drawer 340
Jal, NM 88252

Commissioner Gregory H. Fuller
Chairman
Lea County Board of County Commissioners
Lea County Courthouse
100 North Main, Suite 4
Lovington, NM 88260

Daniel F. Stenger, Counsel
Hogan and Hartson
555 13th Street, NW
Washington, DC 20004

Michael Ortiz, Chief
Radiation Controls Bureau
Field Operations Division
Environmental Department
Harold S. Runnels Building
1190 St. Francis Drive, Room S 2100
P.O. Box 26100
Santa Fe, NM 87502-0157

Gregory Smith, President and Chief Executive Officer
Louisiana Energy Services, L.L.C.
Electronic Mail Distribution

Brenda Brooks, Director
Community Affairs and Government Relations
Louisiana Energy Services, L.L.C.
Electronic Mail Distribution

Perry Robinson, Vice President Regulatory Affairs and General Counsel
National Enrichment Facility
P.O. Box 1789
Eunice, NM 88231

Richard A. Ratliff, PE, LMP
Radiation Program Officer
Bureau of Radiation Control
Department of State Health Services
Division for Regulatory Services
1100 West 49th Street
Austin, TX 78756-3189

**Construction and Quality Assurance Inspection Reports for Assay 2 in SBM-1001 as They Pertain to Cascade 2.11**

| Inspection Report Number | ADAMS Accession Number |
|---|---|
| 2006-001 | ML070190661 |
| 2007-001 | ML071440430 |
| 2007-002 | ML072280647 |
| 2007-003 | ML073060571 |
| 2007-004 | ML080670475 |
| 2008-001 | ML081160345 |
| 2008-002 | ML081930118 |
| 2008-003 | ML083040618 |
| 2008-004 | ML083540709 |
| 2008-006 | ML090790642 |
| 2009-001 | ML090850669 |
| 2009-002 | ML091770643 |
| 2009-003 | ML092730612 |
| 2009-004 | ML093511013 |
| 2009-006 | ML092820188 |
| 2010-005 | ML100850424 |
| 2010-012 | ML102020385 |
| 2011-002 | ML111190268 |
| 2011-003 | ML1120070634 |
| 2011-004 | ML11301A218 |
| 2012-002 | ML12121A579 |
| 2012-004 | Pending |

Enclosure