

**Lea County Board of Commissioners**  
**Lea County Manager**  
100 North Main Avenue, Suite 4  
Lovington, New Mexico 88260



Phone (575) 396-8602  
Fax (575) 396-2093  
sstout@leacounty.net  
www.leacounty.net

Tuesday, March 8, 2016

Mark S. Lesser, Director  
Division of Fuel Facility Inspection  
United States Nuclear Regulatory Commission  
Region II  
245 Peachtree Center Avenue NE, Suite 1200  
Atlanta, Georgia 30303-1257

Dear Mr. Lesser

Enclosed, please find a notice mailed to the following:

Commissioner Gregory H. Fulfer, Chairman  
Lea County Board of County Commissioners  
Lea County Courthouse  
100 North Main, Suite 4  
Lovington, New Mexico 88260

Please replace Commissioner Fulfer with the following:

Chair Ron R. Black  
Lea County Board of County Commissioners  
Lea County Courthouse  
100 North Main Avenue, Suite 4  
Lovington, New Mexico 88260

Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink that reads "Sandra J. Stout-Brito".

Sandra J. Stout-Brito  
Executive Coordinator  
Lea County Board of County Commissioners/Lea County Manager

/sjsb  
enclosures



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

LEA COUNTY

March 3, 2016

MAR 08 2016

Manager  
Board of County Commissioners

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

SUBJECT: LOUISIANA ENERGY SERVICES, L.L.C., URENCO USA - LICENSEE  
PERFORMANCE REVIEW OF LICENSED ACTIVITIES (NRC INSPECTION  
REPORT 70-3103/2016-001)

Dear Mr. Laughlin:

The U.S. Nuclear Regulatory Commission (NRC) staff in our Region II Office and the Office of Nuclear Material Safety and Safeguards completed its biennial review of Louisiana Energy Services, L.L.C., URENCO USA's (UUSA) performance in conducting NRC-licensed activities. The review period was for 24 months, covering from January 1, 2014, through December 31, 2015. The performance of UUSA's operation activities was evaluated in the following areas: Safety Operations, Safeguards, Radiological Controls, Facility Support, and Other Areas. The performance of UUSA's construction activities was evaluated in the following areas: Management Measures and Facility Construction. The enclosure to this letter provides the results of our review and will be used as the basis for establishing the NRC oversight program for your facility. The details regarding the Safeguards portion of the review are documented in a separate letter marked "Official Use Only" due to the sensitive nature of the information.

Overall, the NRC staff determined that UUSA has continued to conduct its activities safely and securely, while protecting public health and the environment. Based on our review of activities, no areas needing improvement were identified. As a result of your performance during the aforementioned assessment period and the decreased level of ongoing construction activities, the NRC staff will maintain the next review period to 24 months, which is consistent with an operational facility. The NRC staff will conduct the core inspection program for a gas centrifuge fuel facility, as described in NRC Inspection Manual Chapter 2800, "Fuel Cycle Facility Operational Safety and Safeguards Inspection Program," for the next assessment period of January 1, 2016, to December 31, 2017.

The NRC issued Generic Letter (GL) 2015-01, "Treatment of Natural Phenomena Hazards in Fuel Cycle Facilities" (Agencywide Documents and Access Management System (ADAMS) Accession No. ML14328A029) to request that licensees submit information to demonstrate compliance with regulatory requirements regarding the treatment of natural phenomena events in the facilities' integrated safety assessments. The licensee submitted this information by letter dated September 18, 2015, which is currently under NRC review.

E-MAILED MAR 08 2016  
LCM/CBC/LCL  
LCM/LCES

G. Laughlin

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cc:  
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

Cheryl Chance, 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

Santiago Rodriguez, Acting Chief  
Radiation Controls Bureau  
Field Operations Division  
Environmental Department  
Harold S. Runnels Building  
1180 St. Francis Drive, Room S 2100  
P.O. Box 26100  
Santa Fe, NM 87502-0157

David Sexton, President and Chief Executive Officer  
Louisiana Energy Services, L.L.C.  
URENCO USA  
P.O. Box 1749  
Eunice, NM 88231

Replace  
w/ Ron R. Black

G. Laughlin

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Additional NRC inspections, beyond the core inspection hours, may be warranted to support the review of licensees' activities in response to GL 2015-01. The inspections will be conducted in accordance with TI 2500/016, "Inspection of Activities Associated with NRC GL 2015-01" (ADAMS Accession No. ML15317A508).

The results of our Licensee Performance Review will be discussed with you at a meeting open to the public on April 27, 2016. During the meeting, you will have an opportunity to discuss your performance in the same major areas as evaluated by the NRC.

In accordance with Title 10 of the Code of Federal Regulations Section 2.390 of the NRC's "Rules of Practice and Procedure," a copy of this letter and its enclosure will be made available for public inspection at the NRC Public Document Room and accessible electronically through the ADAMS in the NRC Library at <http://www.nrc.gov/reading-mv/adams.html>.

Questions and comments regarding the NRC's review of UUSA's operational performance should be directed to Mr. Marvin Sykes, Chief, Projects Branch 1, who can be reached by telephone at 404-997-4829. Questions and comments regarding the NRC's review of UUSA's construction performance should be directed to Ms. Deborah Seymour, Chief, Construction Projects Branch 1, who can be reached by telephone at 404-997-4476.

Sincerely,

Mark S. Lesser, Director  
Division of Fuel Facility Inspection

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

Enclosure:  
Licensee Performance Review

cc: (See page 3)

G. Laughlin

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cc: (cont'd)  
Clint Williamson, Director  
Community Affairs and Government Relations  
Louisiana Energy Services, L.L.C.  
URENCO USA  
P.O. Box 1749  
Eunice, NM 88231

Perry Robinson, Outside General Counsel  
URENCO USA  
P.O. Box 1789  
Eunice, NM 88231

Richard A. Retliff, PE, LMP  
Radiation Program Officer  
Bureau of Radiation Control  
Department of State Health Services  
Division for Regulatory Services  
1100 West 49th Street  
Austin, TX 78758-3189