



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

April 14, 2016

EA-15-0218

Mr. Gary J. Laughlin, Chief Nuclear Officer  
and Head of Operations  
URENCO USA  
P. O. Box 1789  
Eunice, NM 88231

**SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION INSPECTION  
REPORT 70-3103/2015-404 SYNOPSIS**

Dear Mr. Laughlin:

This letter refers to a follow-up inspection conducted by the U.S. Nuclear Regulatory Commission (NRC) onsite from October 26-30, 2015, and an in-office review completed February 11, 2016, regarding events associated with your security program at the URENCO-USA (UUSA) site in Eunice, NM. The Special Inspection report (IR) 70-3103/2014-006 was issued on May 29, 2015. The purpose of the on-site inspection and in-office review was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. The preliminary results of the NRC onsite inspection and in-office review were discussed with members of your staff on February 9, 2016, and during a subsequent telephone meeting on February 11, 2016.

Based on the results of the inspections, apparent violations (AVs) of NRC requirements were identified and are being considered for escalated enforcement action in accordance with NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at (<http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>).

The NRC determined that the immediate corrective actions developed in UUSA's Root Cause Evaluation (RCE) appear to be adequate to address the failed barriers identified by both UUSA's staff and the NRC inspectors. Please be advised that the NRC has not fully assessed the adequacy and comprehensiveness of corrective actions to preclude similar AVs.

Before the NRC makes its enforcement decision, we are providing you an opportunity to request a Pre-decisional Enforcement Conference (PEC). If a PEC is held, the NRC will conduct this conference as a closed meeting due to the security-related information and the potential for classified discussions. If you decide to participate in a PEC, please contact Marvin Sykes at 404-997-4629 within 10 days of the date of this letter. A PEC should be held within 30 days of the date of this letter.

If you choose to request a PEC, the conference will afford you the opportunity to provide your perspective on these matters and any other information that you believe the NRC should take into consideration before making an enforcement decision. The decision to hold a PEC does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. This conference would be conducted to obtain information to assist the NRC in making an enforcement decision. The topics discussed during the conference may include information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned. In presenting your corrective actions, you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the AVs.

Since the NRC has not made a final determination in this matter, no Notice of Violation (NOV) is being issued for these inspection findings at this time. In addition, please be advised that the number and characterization of the AVs described in the enclosed inspection report may change as a result of further NRC review.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, "Public inspections, exemptions, requests for withholding," of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room, or from the Publicly Available Records (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS); accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Details concerning this inspection are classified therefore; the inspection report will not be made available electronically for public inspection in the NRC Public Document room or from the NRC's Agencywide Documents Access and Management System(ADAMS).

Should you have any questions concerning this letter, please contact Mr. Marvin Sykes at 404-997-4629.

Sincerely,

/RA/

Mark S. Lesser, Director  
Division of Fuel Facility Inspection

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

cc: (See page 3)

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Sincerely,

/RA/

Mark S. Lesser, Director  
Division of Fuel Facility Inspection

Docket No. 70-3103  
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cc: (See page 3)

☒ PUBLICLY AVAILABLE

☐ NON-PUBLICLY AVAILABLE

☐ SENSITIVE

☐ NON-SENSITIVE

ADAMS: ☒ Yes ACCESSION NUMBER: \_ML16105A224

☒ SUNSI REVIEW COMPLETE ☒ FORM 665 ATTACHED

OFFICE	RII:DFFI						
SIGNATURE	/RA/						
NAME	MLesser						
DATE	4/11/2016	4/ /2016	4/ /2016	4/ /2016	4/ /2016	4/ /2016	4/ /2016
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY

DOCUMENT NAME: G:\DFFI\ENFORCE ESCALATED\LES\LES 2015-404.DOCX

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

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

cc: (Cont'd on page 4)

(cc: cont'd)

David Sexton, President and Chief Executive Officer  
Louisiana Energy Services, LLC  
URENCO USA  
P.O. Box 1789  
Eunice, NM 88231  
[Dave.Sexton@Urenco.com](mailto:Dave.Sexton@Urenco.com)

Clint Williamson, Director  
Community Affairs and Government Relations  
Louisiana Energy Services, LLC  
URENCO USA  
P.O. Box 1789  
Eunice, NM 88231  
[Clint.Williamson@urenco.com](mailto:Clint.Williamson@urenco.com)

Stephen Cowne  
P. O. Box 1789  
Eunice, NM 88231  
[stephen.cowne@urenco.com](mailto:stephen.cowne@urenco.com)

Salem Thyne  
P. O. Box 1789  
Eunice, NM 88231  
[salem.thyne@urenco.com](mailto:salem.thyne@urenco.com)

Perry Robinson, Outside General Counsel  
URENCO USA  
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 49<sup>th</sup> Street  
Austin, TX 78756-3189

Letter to Mr. Gary J. Laughlin from Mark S. Lesser dated April 14, 2016

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION INSPECTION  
REPORT 70- 3103/2015-404 SYNOPSIS

DISTRIBUTION:

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M. Raddatz, NMSS  
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