

FEB 02 2015

LES-15-00025-NMED

Butch Tongate
Deputy Secretary
New Mexico Environment Department
Harold Runnels Building
1190 St. Francis Drive
Santa Fe, NM 87502-5469

Subject: Withdrawal of Ground Water Discharge Permit (DP-1481) Modification Request, dated March 31, 2014

Dear Mr Secretary:

Louisiana Energy Services, LLC (d/b/a UUSA) would like to withdraw the request submitted to the New Mexico Environment Department (NMED) on March 20, 2014, to modify its existing Ground Water Discharge Permit (GWDP), DP-1481.

Following submittal of the request, UUSA had interactions with NMED staff to provide responses to questions that had been raised. UUSA subsequently engaged an external environmental consulting firm to perform a modelling study to evaluate groundwater recharge. UUSA then met with the NMED staff to discuss the resultant study and other information developed regarding the few outstanding questions.

UUSA received official determination from NMED that its submittal was administratively complete, pursuant to NMAC Section 20.6.2.3108.E. on September 4, 2014. Since that time, UUSA has not yet taken the request with NMED to full closure. This is causing significant schedule impact to a separate federal process, with the Nuclear Regulatory Commission (NRC), to expand our site license which is critical to ongoing operations this year and contains a number of considerations.

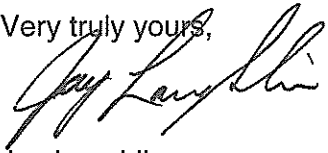
The NRC, per their process, formally provided the proposed Environmental Assessment to the state for review on December 22, 2014. The state provided return comments to the NRC on January 16, 2015. As a result, the nature of the NMED comments has caused an impact to the timely processing of our NRC request. UUSA firmly believes these processes are not dependent on each other (as we discussed with your staff in November 2014 and January 2015), it has caused a slowing of a critical federal approval as the NRC is determining how to best address NMED's comments.

Whilst NMED was performing their review, UUSA proceeded forward at added expense with installing additional pads in compliance with all existing state and federal requirements. Though this was not our preferred approach, the added space is critical to ongoing operations. The additional concrete pads that will be complete by mid-year.

It is essential we move through the NRC approval process quickly to support our plant operations. UUSA took action to address outdoor cylinder storage requirements under existing regulations and as a result of these, UUSA is formally withdrawing the modification request at this time. UUSA appreciates your support in this matter.

B. Tongate
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Very truly yours,

A handwritten signature in black ink, appearing to read "Jay Laughlin". The signature is written in a cursive style with a large, prominent initial "J".

Jay Laughlin
Chief Nuclear Officer and Head of Operations
Louisiana Energy Services, LLC (d/b/a UUSA)

B. Tongate
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