

**POWER
RESOURCES**

Highland Uranium Project
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August 9, 2002

Mr. John Wagner, Cheyenne Office Program Manager
 Land Quality Division
 Wyoming Department of Environmental Quality
 122 West 25th Street
 Cheyenne, WY 82002

Re: Corrective Action Report 7, West & East Evaporation Pond Leak
 Permit to Mine 633, License SUA-1548, Docket 40-8964

Dear Mr. Wagner:

Power Resources, Inc. (PRI) is herein providing a monthly status report for the Evaporation Pond leaks at the Smith Ranch facility. Review of inspection records shows that the East Evaporation Pond was adequately tested for integrity during March 2002 following repairs to the liner. As such, the monthly status report for the East Evaporation Pond is concluded with this report. The monthly report for the West Evaporation Pond will continue until corrective actions are confirmed.

West Evaporation Pond Status

During a routine inspection on January 4, 2002, it was discovered that the water level in the West Evaporation Pond sump exceeded six inches (6"). The water level in the pond, 3' 2" at the time of the discovery, was lowered to 2' 10" in order to stop the leak. The sump water was analyzed for chloride, specific conductance, bicarbonate, U_{nat}, and sulfate. The results are provided below:

Chemical	Concentration
Chloride	5,100 mg/L
Specific Conductance @ 25 °C	3,941 u Siemens
Bicarbonate	396 mg/L
U _{nat} as U ₃ O ₈	36 mg/L
Sulfate	4,700 mg/L

Upon receipt of the confirming analysis, both Steve Ingle of WDEQ and John Lusher of NRC were notified via telephone on January 11, 2002.

Review of inspection records shows that on May 18 and 19, 2002, following various repairs, the water level was raised to 4' 0" at which time the pond began to leak again. Although more repairs were made to the liner during the reporting period, July 12 through August 9, and there was no

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seepage into the sump, the water level did not exceed 3' 7". To test the integrity of the liner, the water level will be raised to the maximum operating level of 6' 0".

East Evaporation Pond Status

During a routine inspection on January 9, 2002, it was discovered that the water level in the East Evaporation Pond sump exceeded six inches (6"). The water level in the pond, 4' 7" at the time of the discovery, was lowered to 3' 6" in order to stop the leak. The sump water was analyzed for chloride, specific conductance, bicarbonate, U_{nat}, and sulfate. The results are provided below:

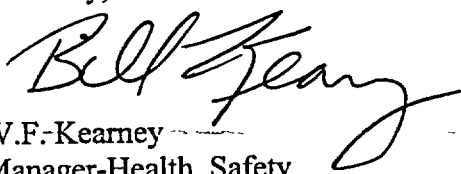
Chemical	Concentration
Chloride	2,900 mg/L
Specific Conductance @ 25 °C	2,857 u Siemens
Bicarbonate	244 mg/L
U _{nat} as U ₃ O ₈	23 mg/L
Sulfate	5,300 mg/L

Upon receipt of the confirming analysis, both Steve Ingle of WDEQ and John Lusher of NRC were notified via telephone on January 11, 2002.

Review of inspection records shows that, following repairs to the East Evaporation Pond liner, the water level was held at 6' 0" from March 29 through 31, 2002. There was no seepage into the sump during this period, thus confirming the repairs. This concludes the monthly status report for the East Evaporation Pond.

If you have any questions or need additional information, please call me at (307) 358-6541, ext. 62.

Sincerely,



W.F.-Kearney
Manager-Health, Safety
& Environmental Affairs

WFK/sab

cc: J. Lusher-USNRC, Rockville, MD
S.P. Collings
R. Knode
S.A. Bakken
File