CROW BUTTE RESOURCES, INC.

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P.O. Box 169
Crawford, Nebraska 69339-0169

(308) 665-2215
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September 13, 2002

40-8943

Mr. Michael Linder, Director
Nebraska Department of Environmental Quality
PO Box 98922
Lincoln, Nebraska 68509-8922

Subject: Class III UIC Permit NE0122611
CM5-11 Monitor Well Excursion

Dear Mr. Linder:

On September 10, 2002 during routine biweekly water sampling of Crow Butte Resources, Inc. (CBR) perimeter monitor well CM5-11, the multiple parameter upper control limit (UCL) was exceeded for chloride, sodium, sulfate, conductivity and alkalinity. As required by Footnote C.1. of Part II of UIC Permit NE0122611, a second sample was collected within 24 hours and analyzed for the five excursion indicator parameters. The results of the second sample exceeded the multiple UCL for chloride, sodium, sulfate, conductivity, and alkalinity.

CBR notified the Mr. Dave Miesbach by telephone on September 12, 2002 of the confirmation of the exceedance. As required by footnote C.1, laboratory results for the sample analysis for CM5-11 are attached. In addition, graphs are attached for the five excursion indicator parameters and water level that cover the period from November 9, 1999 to September 11, 2002.

Monitor well CM5-11 has exhibited increasing trends in the excursion parameters for the past several months. CBR began overproduction in this area in May 2002. By July 2002, a total of four addition production wells had been placed in service at a total flow of approximately 60 gpm. As shown in the trend graphs, these efforts were not successful at recovering mining solutions from CM5-11.

CBR believes that the excursion may be in the upper zone and that the wells placed in service to recover mining solutions were not adequately producing from this zone. On September 3, 2002, CBR recompleted a production well (P-1167) near CM5-11. The well was underreamed in the upper zone in addition to the lower and middle zones and started at a flowrate of approximately 45 gpm. CBR believes that the decrease in the concentrations of the excursion parameters between the first sample on September 10 and the confirming sample taken September 11 may indicate that P-1167 is successfully recovering mining solutions in this area.
CBR plans to continue overproducing in this area as the corrective action to this excursion to continue recovering mining solutions. In accordance with Footnote C.1 of the UIC permit, CBR will increase the

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sampling frequency for CM5-11 to weekly until three consecutive weekly samples are below the exceeded UCLs. CBR will continue weekly sampling for an additional three weeks after this goal has been achieved as required by the UIC Permit. If the well has not exceeded the UCLs after these samples, it will be returned to normal status.

If you have any questions or require any further information, please do not hesitate to call me at (308) 665-2215.

Sincerely,
CROW BUTTE RESOURCES, INC.

Michael Griffin
Manager of Health, Safety, and Environmental Affairs

Enclosures: As Stated

cc: Mr. Dave Carlson
NDEQ Chadron Field Office

Mr. Steve Collings
CBR, Denver, Colorado

Mr. Daniel M. Gillen
Branch Chief, Fuel Cycle Licensing Branch
Division of Fuel Cycle Safety and Safeguards
c/o Document Control Desk
U.S. Nuclear Regulatory Commission
Washington D.C. 20555

U.S. Nuclear Regulatory Commission
Mr. John Lusher - ADDRESSEE ONLY
Fuel Cycle Licensing Branch
Mail Stop T-8A33
Washington, DC 20555

Crow Butte Project
Monitor Well Laboratory Report

Sample Date: 09-10-2002
Analysis Date: 09-11-2002
Analyst: LG/TF

Well Number	Sodium (mg/L)	Sulfate (mg/L)	Chloride (mg/L)	Conductivity (UMHOS)	Alkalinity (mg/L)
CM5-6	395	334	181	1880	300
Multiple	475	433	244	2370	382
Single	570	520	292	2844	458
CM5-7	390	330	181	1890	305
Multiple	482	451	240	2392	361
Single	579	541	288	2870	433
CM5-8	400	348	181	1920	300
Multiple	475	449	241	2396	373
Single	570	539	289	2876	448
CM5-9	400	340	183	1920	310
Multiple	475	446	241	2387	361
Single	570	536	289	2864	433
CM5-10	394	349	181	1910	295
Multiple	480	460	277	2453	336
Single	576	552	333	2943	403
CM5-11	595*	556*	297*	2850*	420*
Multiple	478	443	256	2414	365
Single	573	531	307	2897	438
CM5-12	403	340	181	1930	300
Multiple	494	452	269	2485	380
Single	593	543	323	2982	456
CM6-1	384	351	177	1880	290
Multiple	510	460	278	2640	360
Single	612	552	334	3168	432
CM6-2	400	351	183	1940	295
Multiple	485	461	233	2352	364
Single	582	553	279	2822	436
CM6-3	402	349	183	1940	300
Multiple	488	454	224	2340	367
Single	586	544	269	2808	441

* - Denotes 5% change from previous sample.

Crow Butte Project
Monitor Well Laboratory Report

Sample Date: 09-11-2002
Analysis Date: 09-12-2002

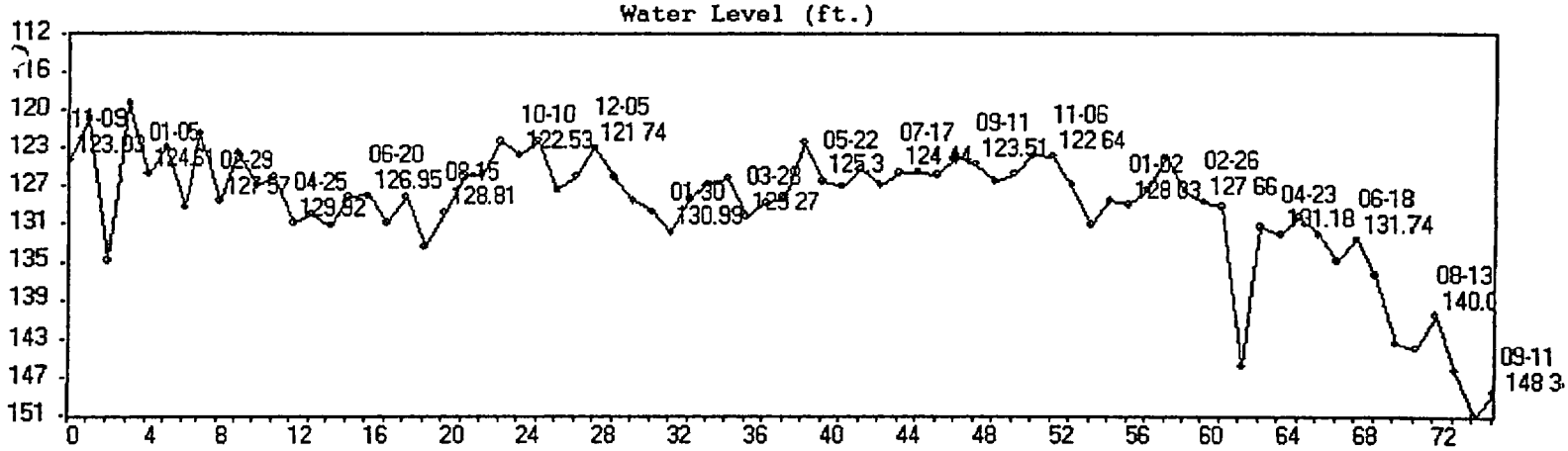
Analyst: LG/TF

Well Number	Sodium (mg/L)	Sulfate (mg/L)	Chloride (mg/L)	Conductivity (UMHOS)	Alkalinity (mg/L)
CM5-23	390	354	185	1930	300
Multiple	475	482	264	2430	361
Single	570	579	317	2916	433
CM5-24	395	352	185	1950	300
Multiple	478	469	264	2406	319
Single	573	563	317	2887	383
CM5-25	393	373	181	1950	295
Multiple	488	474	262	2485	365
Single	586	569	314	2982	438
CM5-26	395	358	185	1950	295
Multiple	481	463	252	2417	361
Single	577	556	302	2900	433
CM5-27	406	355	185	1970	305
Multiple	500	474	266	2478	371
Single	600	569	320	2974	445
CM6-17	395	349	185	1940	310
Multiple	462	449	229	2316	368
Single	554	539	275	2779	442
CM6-18	396	352	185	1940	300
Multiple	485	470	252	2424	368
Single	582	564	302	2909	442
CM6-19	400	349	181	1940	310
Multiple	487	457	246	2400	377
Single	585	549	295	2880	452
CM5-11	547*	503*	277*	2670*	410
Multiple	478	443	256	2414	365
Single	573	531	307	2897	438

* - Denotes 5% change from previous sample.

CM5-11

Water Level (ft.)

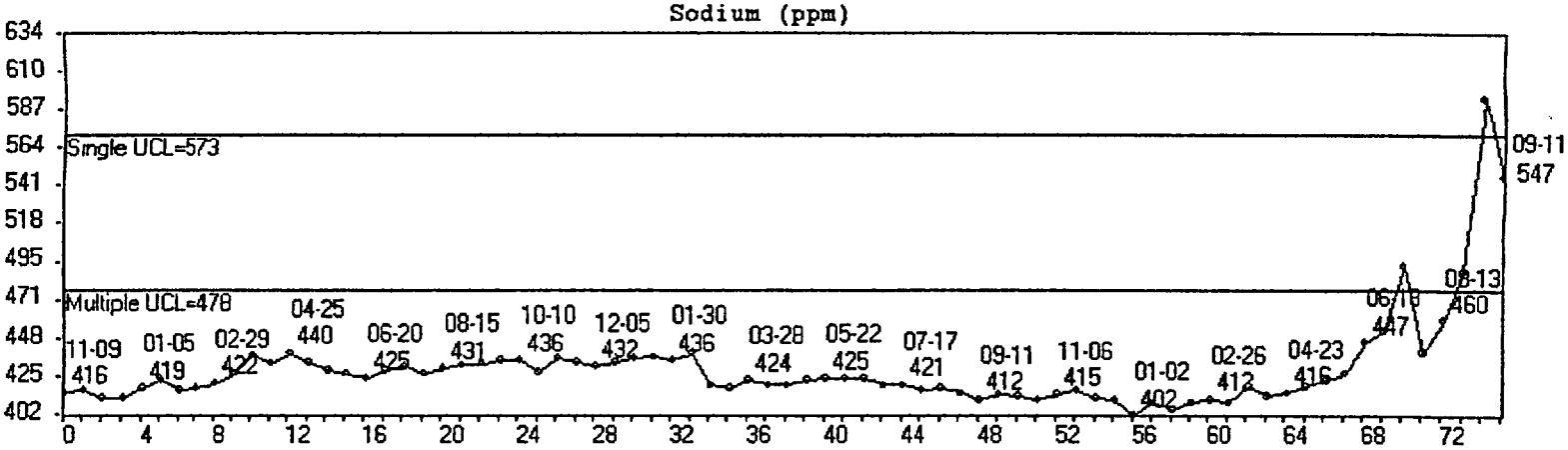


11-09-1999 TO 09-11-2002

Sampling Period

CM5-11

Sodium (ppm)

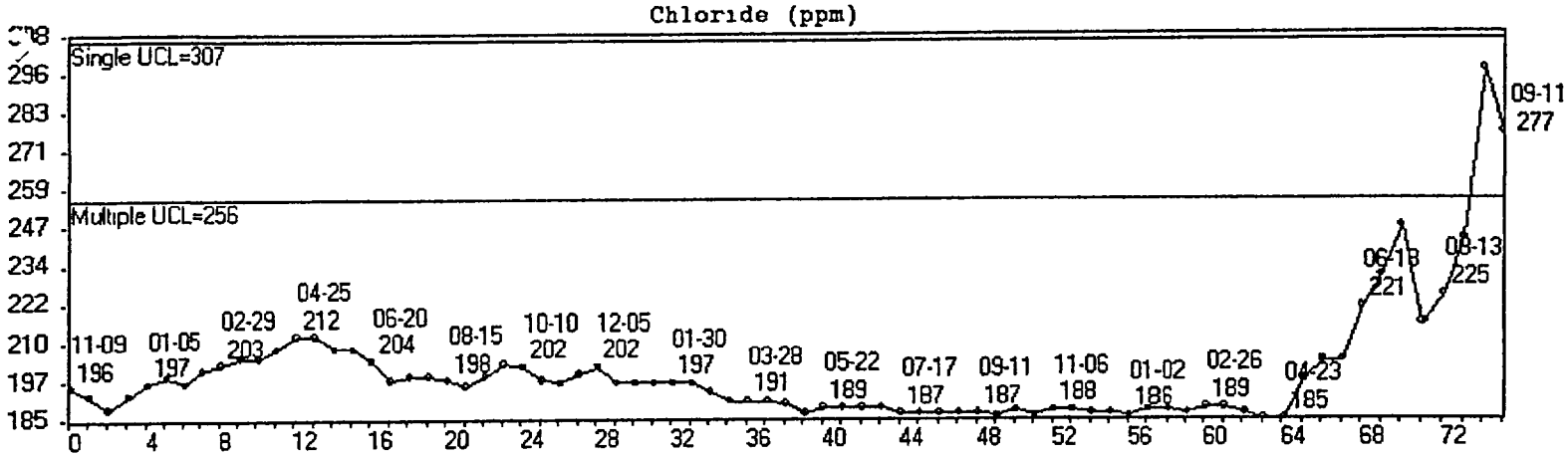


11-09-1999 TO 09-11-2002

Sampling Period

CM5-11

Chloride (ppm)

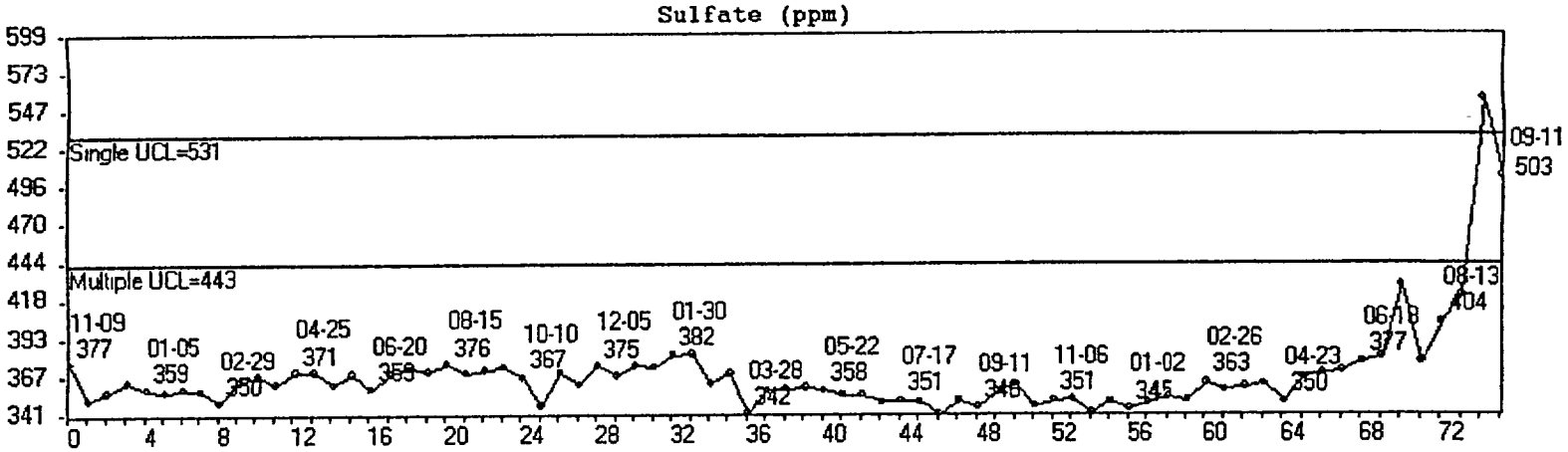


11-09-1999 TO 09-11-2002

Sampling Period

CM5-11

Sulfate (ppm)

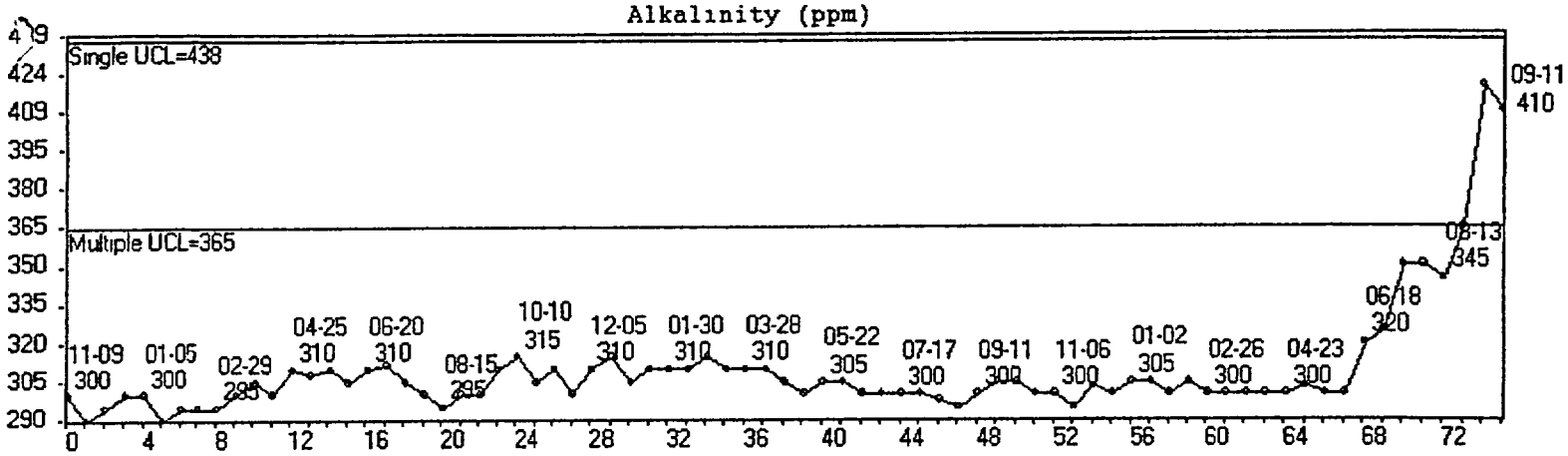


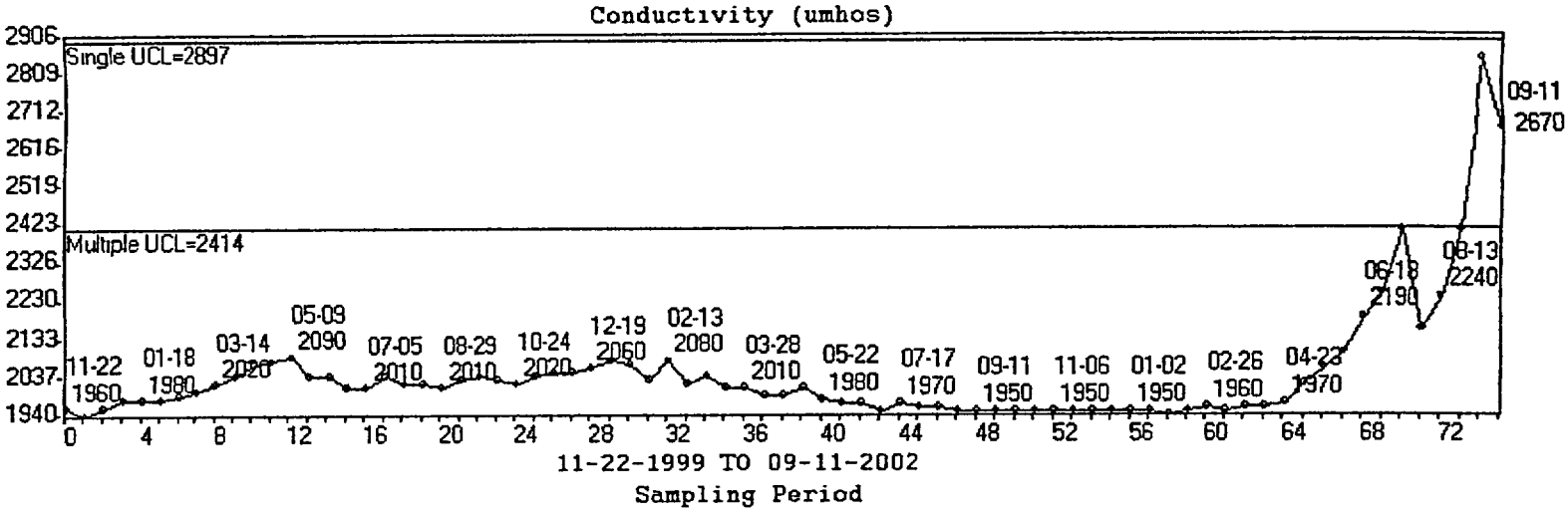
11-09-1999 TO 09-11-2002

Sampling Period

CM5-11

Alkalinity (ppm)



CM5-11

Conductivity (umhos)