



COGEMA

40-8502

October 2, 2003

PERMIT TO MINE NO. 478

Mr. Glenn Mooney, Senior Geologist
Department of Environmental Quality
Land Quality Division
1043 Coffeen Avenue, Suite D
Sheridan, Wyoming 82801

RE: Groundwater spill Christensen Ranch Monitor Well 3MW53D

Dear Mr. Mooney:

This letter serves as follow-up notification of the event reported by phone to Mr. Mark Taylor, Wyoming Department of Environmental Quality (WDEQ) on 9/24/03 and to the WDEQ Spill Response Office on 9/29/03 of a discharge of groundwater from one of our deep monitor wells in Mine Unit (MU) 3 at COGEMA's Christensen Ranch (CR) project. As required under Chapter IV, Section 4 of the Water Quality Division (WQD), all spills of "hazardous" substances that enter or threaten to enter waters of the state and any spill > 420 gallons must be reported to the WDEQ - WQD within 24 hours of discovery of the event.

INTRODUCTION:

On 9/24/03 it was discovered that a well in Mine Unit (MU) 3 at our CR project had inadvertently been left on since the last date it was sampled (9/8/03). The well is 3MW53D located in the NW/NE of Section 7, T. 44 N., R. 76 W., Johnson County Wyoming. This well is one of the 327 monitor wells we sample on a monthly basis as part of our restoration phase of operations at CR. The well is completed as a deep monitor of the sandstone horizon below our in-situ mining zone, is isolated from the mining zone by a 62 foot impermeable shale section and, therefore, contains only the naturally existing groundwater within the formation.

INCIDENT CONDITIONS:

3MW53D had been sampled on 9/8/03 and not turned off by the well field operator upon completion of the sampling procedure. As a result, the well ran until 9/24/03 when another one of our well field operators was working in the area, noticed it running and shut it off. The well has a flow capacity of 4.5 gallons per minute (gpm), therefore during the seventeen day period that it ran, we estimate that it discharged approximately 110,160 gallons of fresh groundwater onto the surface of MU 3. The well although, located near the main road into

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our CR Satellite Plant has its discharge pipe low enough to the ground that unless someone is in the immediate area of the well it would not be obvious that it was flowing. As stated above, the water discharged onto the surface of MU 3 would not qualify as "hazardous" substance, as it was fresh groundwater from the deep monitor zone below our uranium mining objective. The volume of water associated with the spill is the primary concern of this incident.

INCIDENT INVESTIGATION & ENVIRONMENTAL IMPACT:

On the afternoon of 9/24/03 Mr. Wayne Heili Wyoming Operations Manager, and myself inspected the spill site. We were able to determine that the water discharged traveled approximately 400 feet northeast from the wellhead following a shallow depression, and simply soaked into the ground along this route. No water reached the main drainage (Willow Creek) in this area and no erosional damage resulted from the spill. A water sample taken from this well on 9/24/03 gave the following water analysis:

Chloride - 11.1, Conductivity - 661, Alkalinity - 104.5, pH - 8.7, U₃O₈ - <0.4

A soil sample taken on 10/2/03 has been sent to Energy Labs in Casper, Wyoming. for Ra-226 analysis.

IN-HOUSE REVIEW & CORRECTIVE ACTION:

This event was discussed in a meeting with Mr. Wayne Heili, myself, and our Operations Foreman, Mr. Rick Kukura present. We have determined that the incident was primarily the result of routine procedure negligence on the part of the operator involved. Although we are certain that the oversight was unintentional on his part, he will be advised of his improper job action, and directed to be more observant in the future. We also noted one possible contributing factor to the development of this situation. The well in question is one of only two on the entire project site that is typically shut-off at the wellhead. All other wells are controlled at a central panel within the associated MU module building. This deviation from the routine pattern might have played a part in the oversight. Mr. Kukura is investigating the possibility of re-wiring the two wells so their operations are also controlled only at the module buildings.

Please contact me if you require any additional information on this incident.

Sincerely,

Tom Nicholson by PH
Tom Nicholson
Environmental Specialist/RSO

Attachment: Spill Investigation Report.

CC: Joe Hunter, WDEQ - Spill Response Coordinator
E. Brummett, NRC - Project Manager
C. Cain, NRC - Region IV Branch Chief
D. Wichers, COGEMA - General Manager

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SPILL INVESTIGATION REPORT

Fill out the entire top portion of this form for any spill that meets the following criteria then present form to your supervisor:

1. Any amount of injection or recovery solution that enters a dry draw, playa, or drainage (i.e. Willow Creek).
2. Spill exceeds 420 gallons of recovery or injection solution.
3. Any amount of solution which is not recovery or injection solution.

Notify your supervisor, the Environmental Department, or the RSO office concerning any solution that meets the criteria for items 1 or 2! Notification should be done as soon as possible during business hours, and within 12 hours of discovery on weekends, holidays, or nights.

Date of spill: 9-24-03

Time of spill: 12:00

Location: IR CR

Location/Well Id. 3MWS3D

Type of spill: Injection solution
 Other (List) Monitor well Recovery solution

Did solution enter Willow Creek, a dry draw, a playa, or drainage? Yes No

Estimated gallons: Unknown

Sample collected: Yes No

Amount recovered: _____

Person notified and time: Rick Kukura

Explain how spill occurred, corrective actions taken, and other pertinent information.

monitor well was left on

Employee: Jeffrey L. Green

This portion is to be filled out by employee's supervisor, verifying cause of spill and method of preventing future spills of this nature.

Signature: [Signature]

Title: _____

This portion to be filled out by the Environmental or Radiation Department.

Lab analysis of solution: U308 L.4 (JR) Spill reported to: NRC DEQ

Describe environmental damage, additional corrective action, recommendations, other information. No erosion or surf damage occurred, Risk it will require sampling procedure w/ Rocky Hester who left the well running.

Signature: [Signature]

Title: RSO