40-8964

POWER RESOURCES

**Smith Ranch - Highland Uranium Project**
P. O. Box 1210
Glenrock, Wyoming USA 82637
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Fax: 307-358-4533

December 24, 2003

Mr. Lowell Spackman, Acting District 1 Supervisor
Land Quality Division
Wyoming Department of Environmental Quality
Herschler Building
122 West 25th Street
Cheyenne, WY 82002

RE: Permit to Mine No. 603
In Situ Uranium Wellfield Release Report

Dear Mr. Spackman:

As reported via email to Mr. Steve Ingle of the Land Quality Division and Mr. John Lusher, NRC Project Manager, on December 22, 2003, Power Resources, Inc. (PRI) had a release of Injection Fluid at the Highland Uranium Project in Converse County, Wyoming. The release was detected on December 20, 2003 at the F-44 Headerhouse located in the F Wellfield. The release of fluids resulted when a PVC end cap on an Injection Well meter run cracked. The concentrations of uranium, selenium and radium in Injection Fluid are above background levels, however the fluid is not considered hazardous material under RCRA, and is not reportable under SARA.

In accordance with Chapter IV, Section 4(a)(iv) of the Water Quality Division Rules and Regulations, attached is a report describing the release and the steps taken to prevent a recurrence of this nature.

Please call if you have any questions.

Sincerely,

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

WFK/js
Cc: John Lusher – NRC Project Manager R. Knode J. Schultz
M.D. Bryson File HUP 4.3.3.1 File 4.6.4.2 File 4.6.4.4



UMSS01

## Attachment

## Power Resources, Inc
## Smith Ranch-Highland Uranium Project
## URANIUM IN SITU WELLFIELD FLUID RELEASE REPORT

## CRACKED END CAP ON INJECTION WELL METER RUN HEADERHOUSE F-44

A. DESCRIPTION OF THE EVENT AND MITIGATIVE ACTIONS TAKEN

On December 20, 2003 at approximately 10:30 a.m., fluid was discovered by personnel inside Headerhouse F-44 in the F-Wellfield. Investigation found that the fluid was leaking from the Well FI-1286 meter run. At this time, the well was immediately shut off.

A limited amount of the released Injection Fluid flowed from the Headerhouse. All of the released fluid immediately soaked into the ground. All released fluid remained within the fenced wellfield area and did not enter into any "Waters of the State."

The total amount of released Injection Fluid was estimated at 600 gallons. It was not possible to retrieve any of the released fluid. The approximate uranium concentration of the released Injection Fluid was 1.5 mg/L. The release occurred in the NW ¼, SE ¼, Section 21, T36N, R73W and affected approximately 0.03 acres. The exact location and extent of the spill is shown on the attached map.

The entire area will be reevaluated during the decommissioning of the wellfield to ensure that applicable decommissioning standards for soils are met.

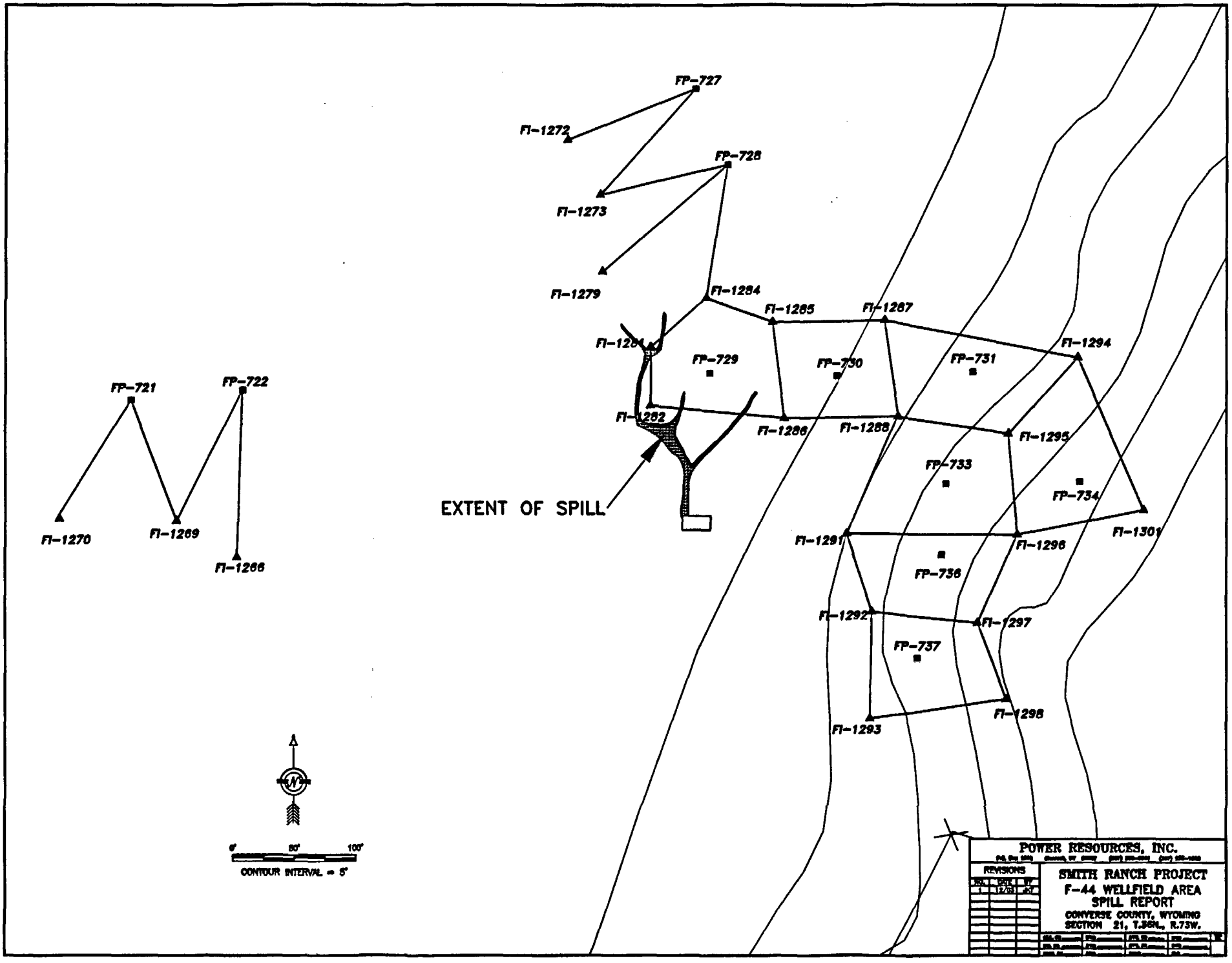
B. CAUSE OF THE RELEASE AND THE STEPS TAKEN TO PREVENT RECURRANCE

Cause

The cause of the release was the result of a crack in a PVC end cap, which allowed the release of injection fluids. This type of failure was likely due to structural failure of the PVC end cap.

Recurrence Prevention

This end cap was replaced, along with other leaking caps, all leaking fittings were also repaired. Prevention of this type of release can only be prevented by regular inspections of operating wells and associated facilities. PRI has and continues to conduct regular preventative and safety inspections on all Headerhouses and associated facilities. All deficiencies are immediately corrected.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FP-729
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FP-731
FI-1282
FI-1286
FI-1288
FI-1295
FP-733
FP-734
EXTENT OF SPILL
FI-1291
FI-1296
FI-1301
FP-736
FI-1292
FI-1297
FP-737
FI-1293
FI-1298
FP-721
FP-722
FI-1270
FI-1269
FI-1266
0'
50'
100'
CONTOUR INTERVAL = 5'
POWER RESOURCES, INC.
REVISIONS
SMITH RANCH PROJECT
F-44 WELLFIELD AREA
SPILL REPORT
CONVERSE COUNTY, WYOMING
SECTION 21, T.36N., R.73W.

**POWER RESOURCES**
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