



40-8964

Smith Ranch - Highland
Uranium Project
P. O. Box 1210
Glenrock, Wyoming USA 82637
Casper: 307-235-1628
Douglas: 307-358-6541
Fax: 307-358-4533

February 17, 2004

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 February 12, 2004, Power Resources, Inc. (PRI) had a release of Injection Fluid at the Smith Ranch Uranium Project in Converse County, Wyoming. The release was detected on February 11, 2004 at Injection Well 4I-307 located in Mine Unit 4. The release of fluid resulted when the PVC flange assembly separated from the well casing at the top of Injection Well 4I-307. 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,

Ken Mitrino for W.F. Kearney

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

WFK/klm

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

Ums501



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Attachment

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

WELL 4I-307 PVC FLANGE ASSEMBLY FAILURE

A. DESCRIPTION OF THE EVENT AND MITIGATIVE ACTIONS TAKEN

On February 11, 2004 at approximately 3:15 p.m., personnel discovered an Injection Fluid leak inside Mine Unit 4. The release occurred when the PVC flange assembly on the wellhead separated from the well casing at Well 4I-307. The well was immediately shut down and has been tagged out of operation until repairs are completed.

The well is located in an ephemeral draw. The released fluid flowed approximately 100 feet in the dry draw where it then soaked into the ground. It was not possible to recover any of the released fluid before it was absorbed. No adverse impacts are expected due to the small quantity of fluid involved and the small extent of the spill.

It is estimated that approximately 400 to 600 gallons of Injection Fluid were released. The approximate uranium concentration of the Injection Fluid was 1.3 mg/l. The entire area will be reevaluated during the decommissioning of the wellfield to ensure that applicable decommissioning standards for soils are met.

The release occurred in the NW ¼, NE ¼, Section 22, T35N, R74W and affected approximately 0.01 acres. The exact location and extent of the spill is shown on the attached map.

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

Cause

The release occurred when the PVC flange assembly separated from the well casing at the top of Well 4I-307. The reason for the separation appears to be improper application of the glue at the joint

Recurrence Prevention

The well has been tagged out of operation until the PVC flange assembly is installed back on the well casing. Proper glue application to the joint will be practiced to prevent future separation of the PVC flange assembly at this well.

