

CROW BUTTE RESOURCES, INC.

86 Crow Butte Road
P.O. Box 169
Crawford, Nebraska 69339-0169



(308) 665-2215
(308) 665-2341 – FAX

April 13, 2004

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

Subject: Underground Injection Control Permit NE0122611
 PR-8 Monitor Well Excursion - 40 -

Dear Mr. Linder:

On December 23, 2003 during routine biweekly water sampling of monitor well PR-8, the multiple parameter upper control limit (UCL) was exceeded for 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 required by the permit at that time. In the confirming sample, four of the five excursion indicators exceeded the multiple UCLs. Based upon these results, PR-8 was placed on excursion status.

PR-8 is a baseline restoration well in Mine Unit 1 that was chosen to monitor the boundary of Mine Unit 2 following the NDEQ approval of restoration. The only current restoration activities in Mine Unit 2 adjacent to PR-8 include monitoring final water quality before initiation of stabilization.

Attached are the monitoring data collected for well PR-8 from October 30, 2003 through April 6, 2004. Solution recovery efforts have been successful in reducing the concentrations of the three excursion parameters in PR-8. Current trends indicate that CBR should be able to remove PR-8 from excursion status in the near term.

In accordance with Footnote C.1 of the UIC permit, CBR has increased the sampling frequency for PR-8 to weekly until three consecutive weekly samples are below the exceeded UCLs. CBR will then continue weekly sampling for an additional three weeks after this goal has been achieved. If the well has not exceeded the UCLs, it will be returned to normal status.

Nmssd/

CROW BUTTE RESOURCES, INC.



Mr. Michael Linder
April 13, 2004
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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.

A handwritten signature in black ink, appearing to read 'M. Griffin', written over the typed name.

Michael Griffin
Manager of Health, Safety, and Environmental Affairs

Enclosures: *As Stated*

cc: Mr. Dave Carlson, NDEQ Chadron Field Office

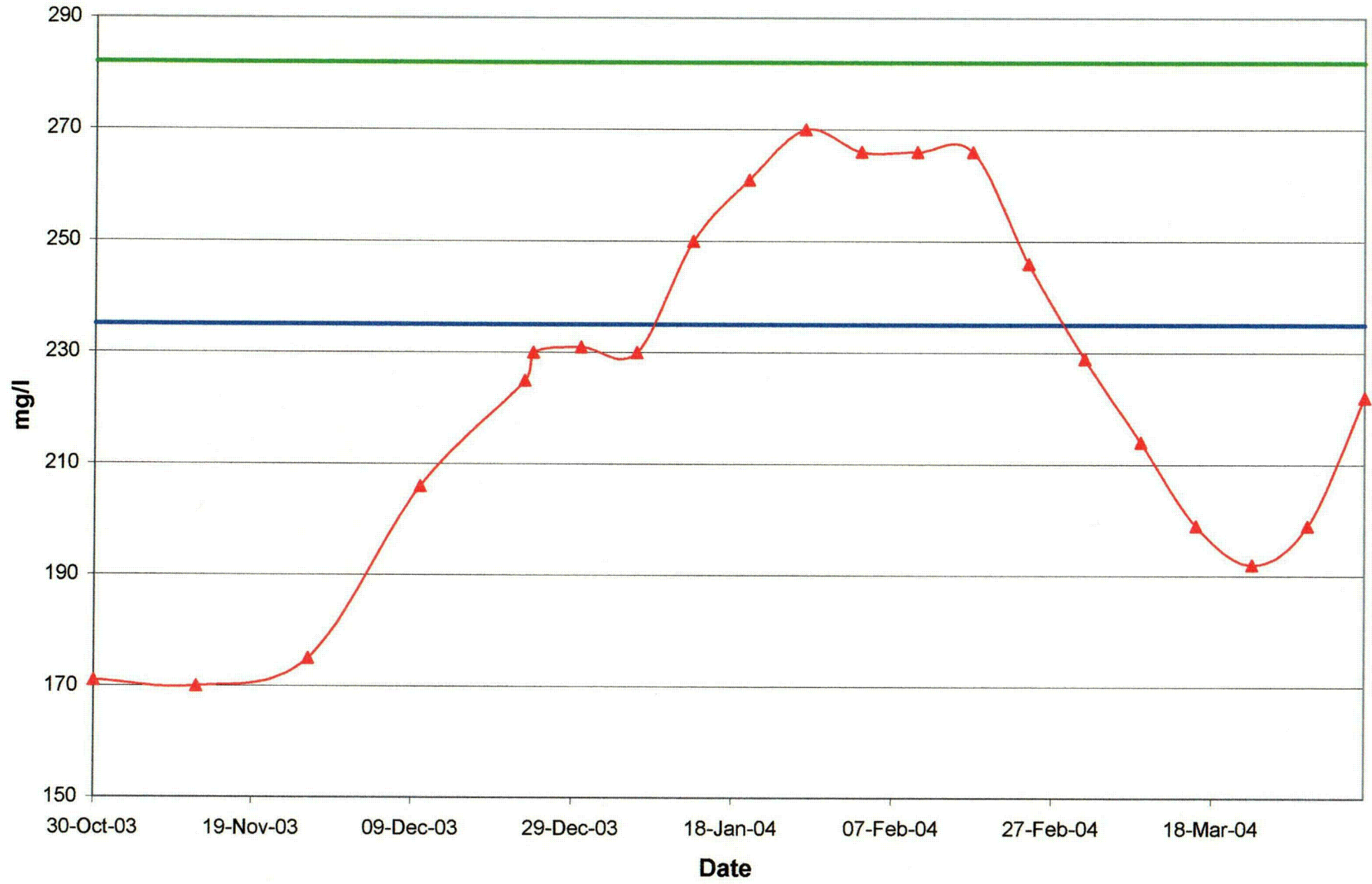
U.S. Nuclear Regulatory Commission
Mr. John Lusher - ADDRESSEE ONLY
Fuel Cycle Licensing Branch
Mail Stop T-8A33
Washington, DC 20555

Mr. Steve Collings - CBR, Denver

PR-8 Excursion Monitoring Data
October 31, 2003 to April 6, 2004

	Conductivity	Alkalinity	Chloride
Multiple UCL	2388	403	235
Single UCL	2866	484	282
Date			
30-Oct-03	2090	410	171
12-Nov-03	2080	410	170
26-Nov-03	2150	430	175
10-Dec-03	2310	430	206
23-Dec-03	2410	420	225
24-Dec-03	2480	430	230
30-Dec-03	2500	440	231
06-Jan-04	2500	435	230
13-Jan-04	2560	430	250
20-Jan-04	2650	435	261
27-Jan-04	2730	440	270
03-Feb-04	2710	448	266
10-Feb-04	2700	440	266
17-Feb-04	2700	440	266
24-Feb-04	2620	440	246
02-Mar-04	2530	440	229
09-Mar-04	2390	420	214
16-Mar-04	2290	415	199
23-Mar-04	2290	410	192
30-Mar-04	2320	410	199
6-Apr-04	2450	420	222

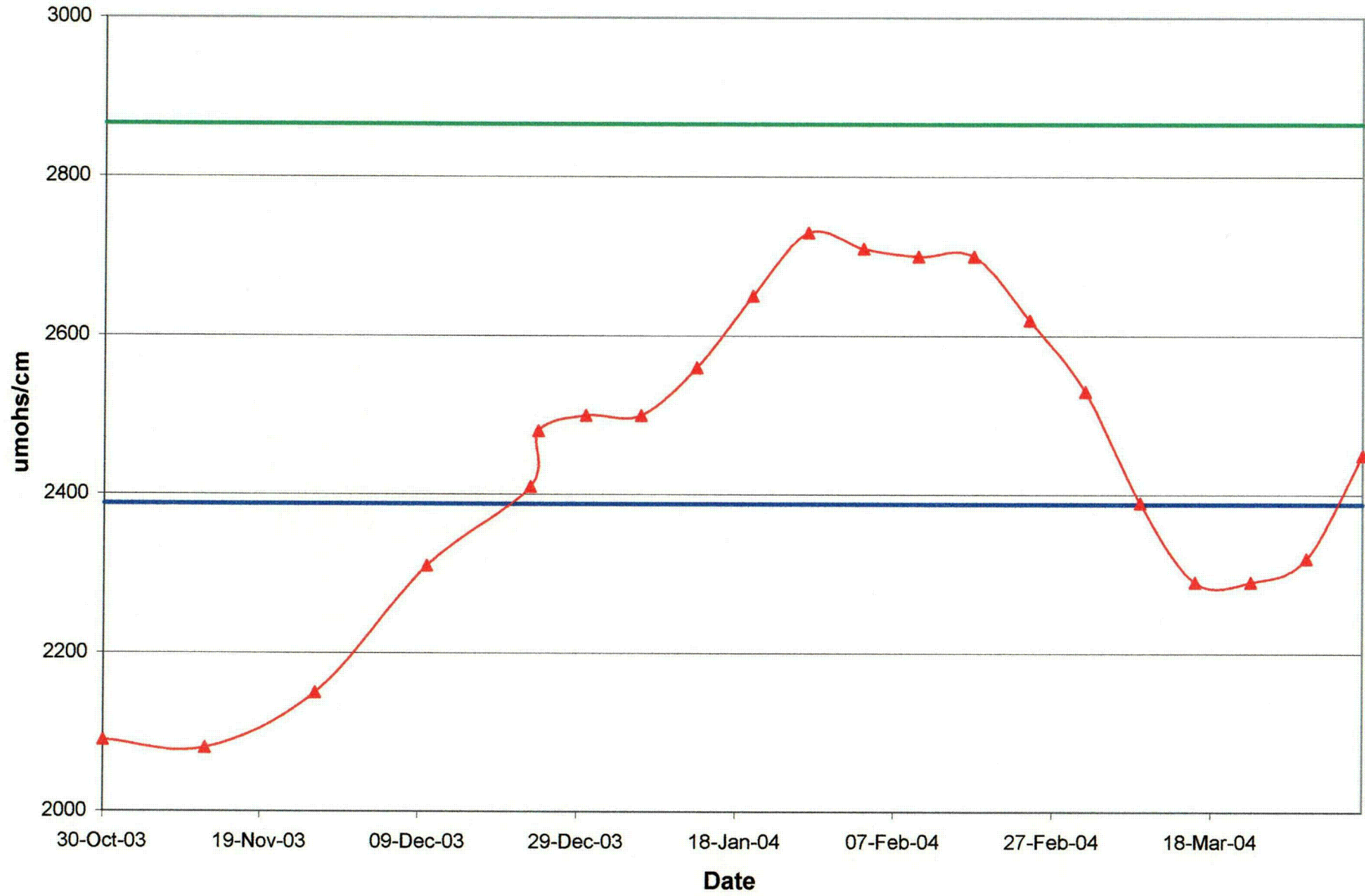
PR 8 Chloride



10-0

— Multiple UCL — Single UCL ▲ Chloride

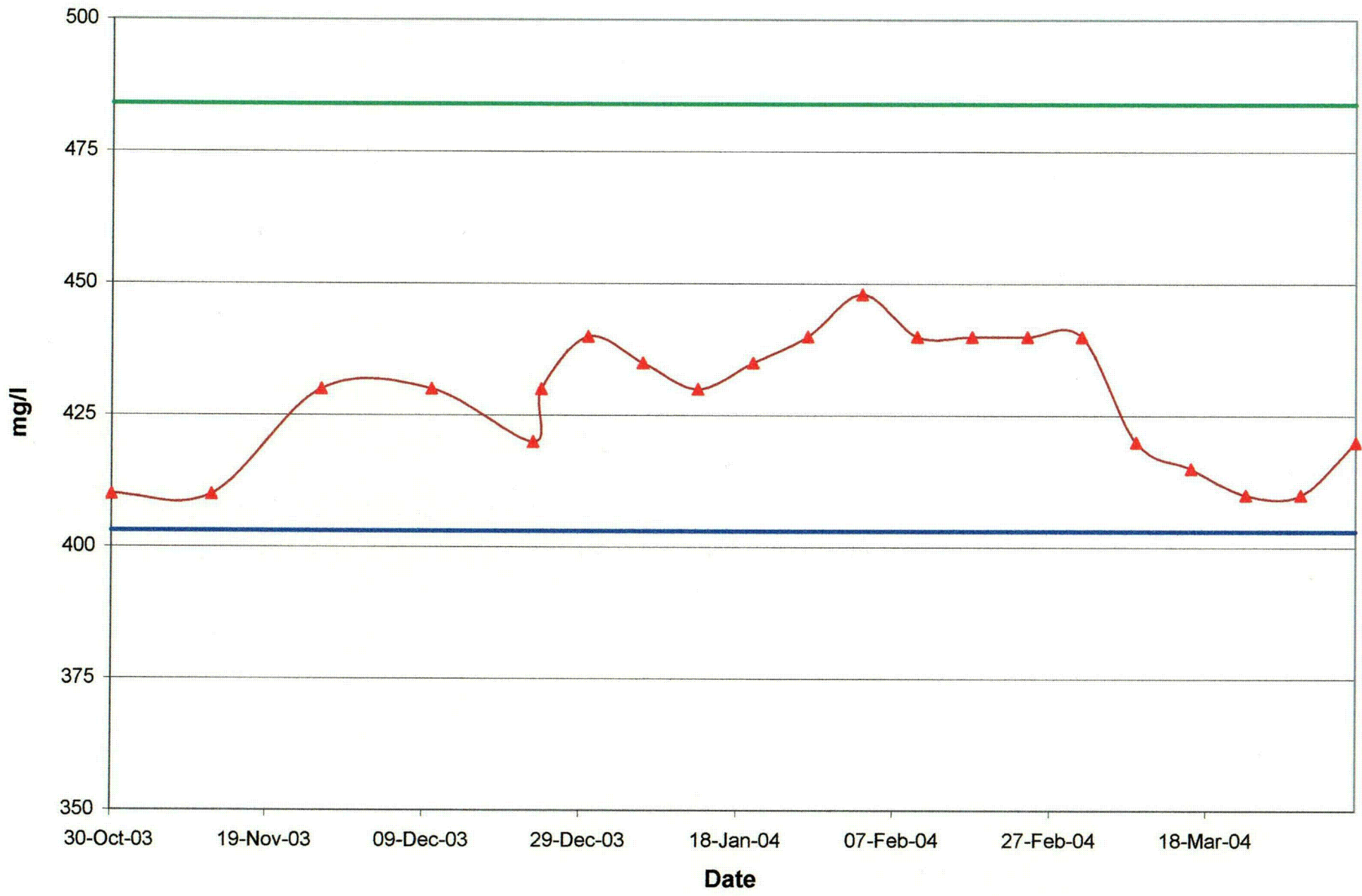
PR 8 Conductivity



— Multiple UCL — Single UCL ▲ Conductivity

C-02

PR 8 Alkalinity



C-03

— Multiple UCL — Single UCL ▲ Alkalinity