



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

January 12, 2005

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

Please docket

RE: Permit to Mine No. 603
Highland Uranium Project - 40-8964
In Situ Uranium Wellfield Release Report

Dear Mr. Spackman:

As I reported via email to Mr. Steve Ingle of the Land Quality Division and Mr. John Lusher, NRC Project Manager, on January 11, 2005, Power Resources, Inc. (PRI) had a release of Injection Fluid at the Highland Uranium Project in Converse County, Wyoming. The release was detected on January 10, 2005 at 10:00 p.m. The release occurred at the wellhead of Well FPI-45, at the F-3 area of Mine Unit-F. 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,

Bill Kearney

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

WFK

Cc: John Lusher - NRC Project Manager C. Foldenauer K. Milmine
M.D. Bryson File HUP 4.3.3.1 File HUP 4.6.4.1 File HUP 4.6.4.4

NMSS01



Attachment

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

RELEASE OF INJECTION FLUID AT WELL FPI-45

A. DESCRIPTION OF THE EVENT AND MITIGATIVE ACTIONS TAKEN

On January 10, 2005 at approximately 10:00 p.m., a release of Injection Fluid was detected by a Satellite Operator at Well FPI-45, located in the F-3 area of Mine Unit-F. The cause of the release was determined to be a pop-off valve that had been stuck in an open position. The well was shut off and the valve was cleaned before the well was restarted.

An estimated 300 gallons of Injection Fluid was released in to a small, dry ephemeral channel. All the fluid soaked in to the ground preventing the recovery of any fluid. The approximate uranium concentration of the Injection Fluid was 1 mg/L. No adverse impacts are expected due to the relatively small quantity of fluid involved, the small extent of the spill, and low uranium concentration of the fluid.

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 SE ¼, NE ¼, Section 21, T36N, R73W and affected less than 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 RECCURANCE

Cause

The cause of the release was a pop-off valve that was stuck in a partially open position.

Recurrence Prevention

The valve was isolated and it was verified that the well was operating properly before it was restarted.

All similar installations are being inspected to insure the pop off valves and all related equipment are functioning as intended.

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

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An estimated 300 gallons of Injection Fluid was released in to a small, dry ephemeral channel. All the fluid soaked in to the ground preventing the recovery of any fluid. The approximate uranium concentration of the Injection Fluid was 1 mg/L. No adverse impacts are expected due to the relatively small quantity of fluid involved, the small extent of the spill, and low uranium concentration of the fluid.

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