CROW BUTTE RESOURCES, INC.

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

(308) 665-2215
(308) 665-2341 – FAX

June 1, 2005

Mr. Gary Janosko, Branch Chief
Fuel Cycle Licensing Branch, FCSS
c/o Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Re: Source Materials License SUA-1534
Docket No. 40-8943
CM5-19 Monitor Well Excursion

Dear Mr. Janosko:

On May 2, 2005 during routine biweekly water sampling of Crow Butte Resources, Inc. (CBR) perimeter monitor well CM5-19, the multiple parameter upper control limit (UCL) was exceeded for chloride, conductivity, and alkalinity. As required by License Condition 11.2 of Source Materials License SUA-1534, a second sample was collected within 48 hours and analyzed for the three excursion indicator parameters. The results of the second sample exceeded the multiple UCL for chloride, conductivity, and alkalinity.

CBR notified the NRC Operations Center by telephone on May 2, 2005 of the confirmation of the exceedance as required in License Condition 9.2. A confirmation e-mail was sent on the same date. Laboratory results for the sample analysis for CM5-19 are attached. In addition, graphs are attached for the three excursion indicator parameters and water level that cover the period from November 1, 2004 to May 31, 2005.

This well has been trending up slowly for the past several months. CBR had been taking corrective action during that time but the well is located in a difficult portion of Mine Unit 5. Due to the geometry in the area, overproducing too hard in this area could cause excursions in adjacent wells. Well BL5-5 was put in production on May 10, 2005 at a flow rate of 6 gallons per minute. It appears this has helped reverse the upward trend of the three excursion parameters.

CBR plans to continue overproducing in this area as the corrective action to this excursion to continue recovering mining solutions. In accordance with License Condition 11.2, CBR has increased the sampling frequency for CM5-19 to weekly until three consecutive weekly samples are

NMSS01

below the exceeded UCLs. CBR will continue weekly sampling for an additional three weeks after this goal has been achieved as required by CBR's Nebraska Department of Environmental Quality (NDEQ) Class III UIC Permit requirements. If the well has not exceeded the UCLs after these samples, it will be returned to normal status.

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.

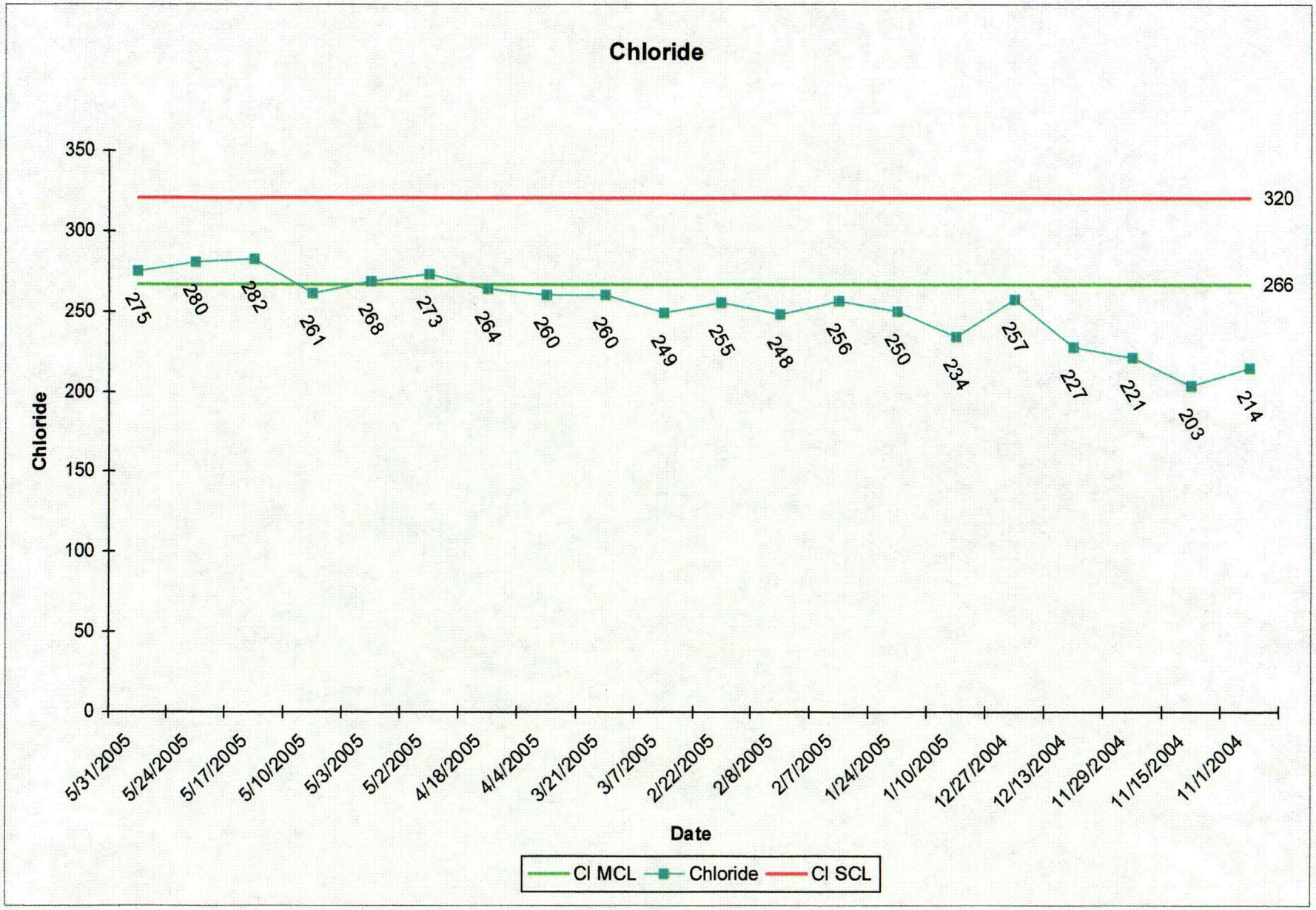
Michael Griffin
Manager of Health, Safety, and Environmental Affairs

Enclosures: As Stated

cc: 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

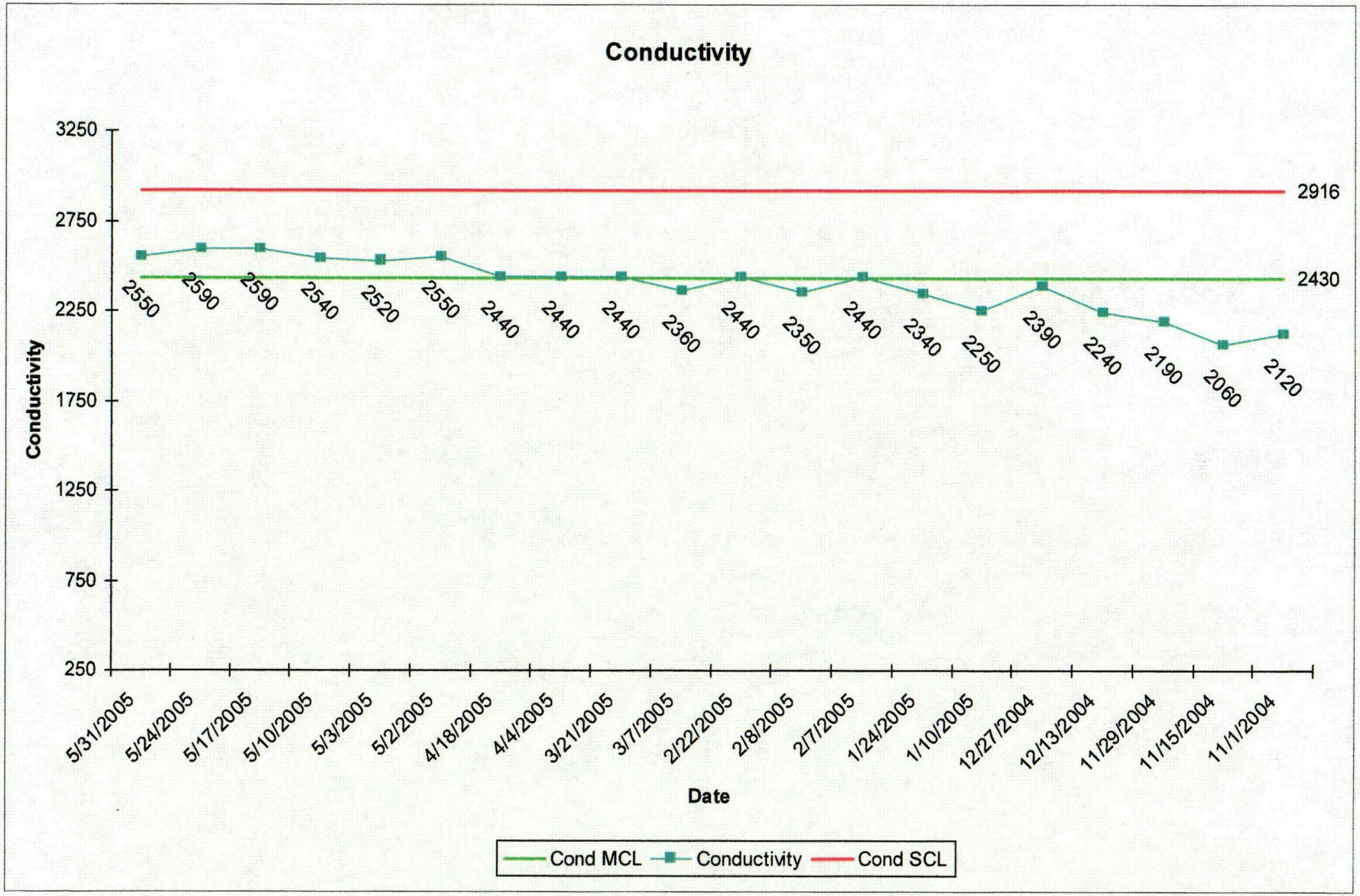
CM5-19



Wednesday, June 01, 2005

C01

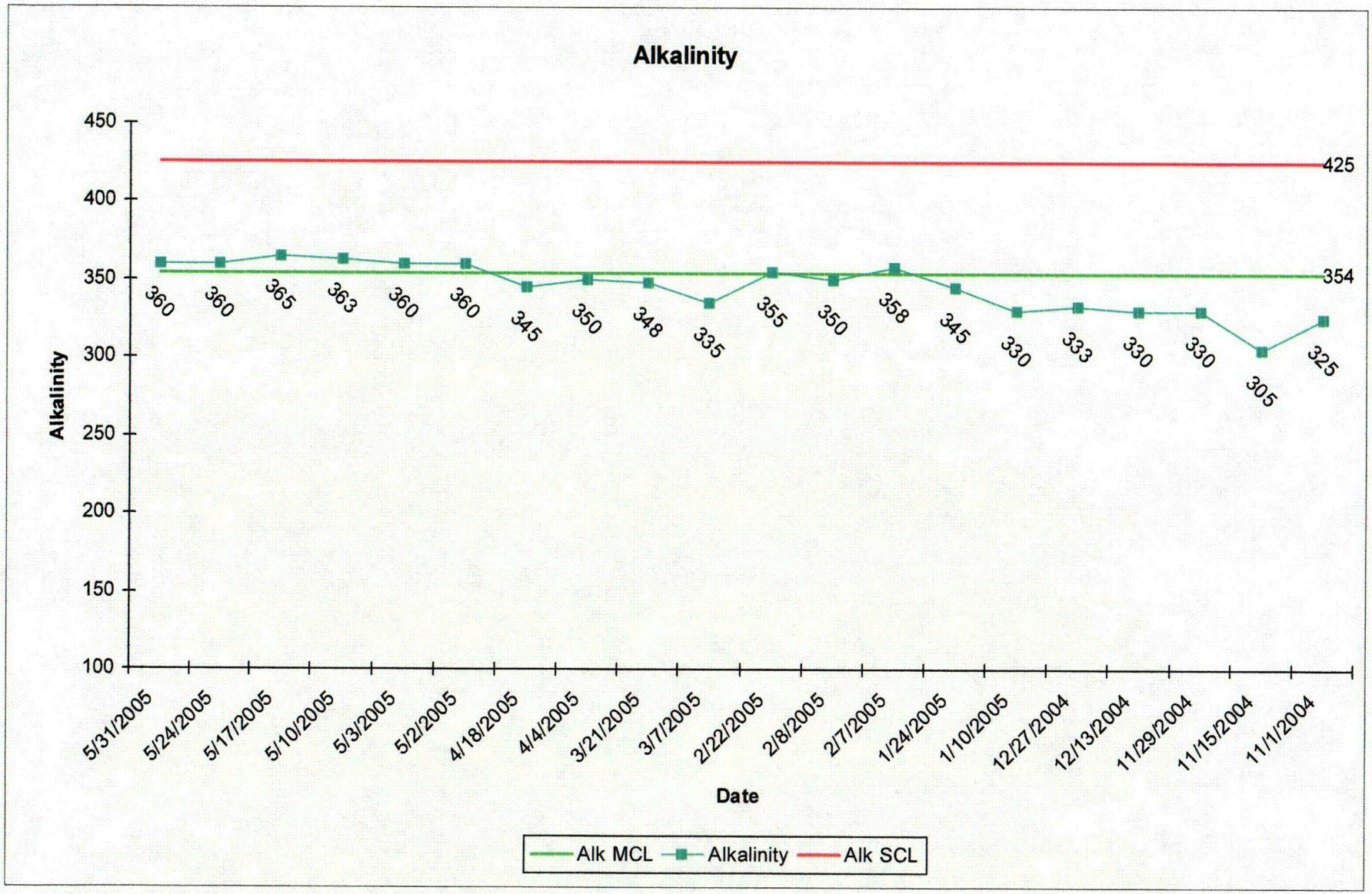
CM5-19



Wednesday, June 01, 2005

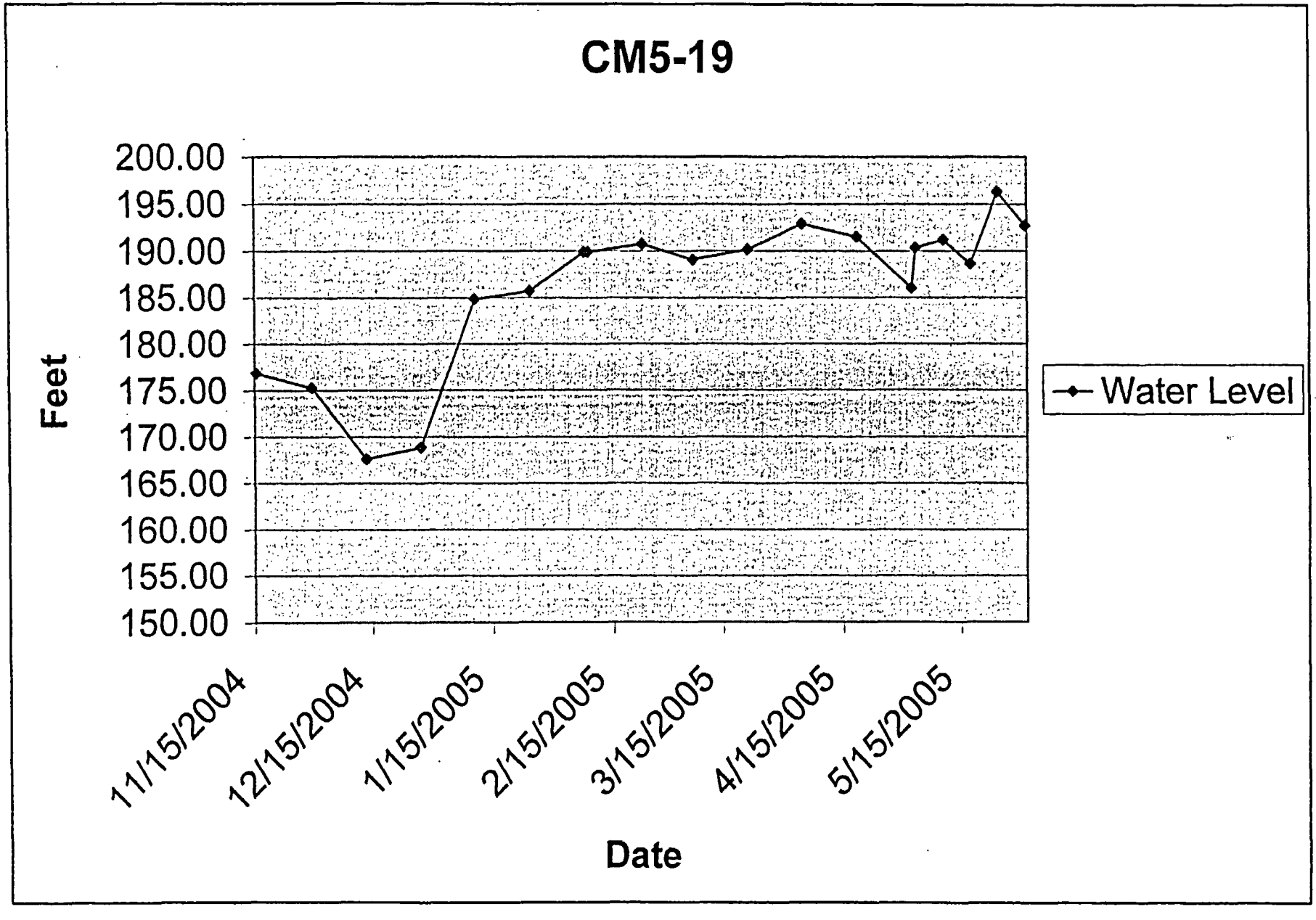
C02

CM5-19



Wednesday, June 01, 2005

C03


CM5-19
200.00
195.00
190.00
185.00
180.00
175.00
170.00
165.00
160.00
155.00
150.00
Feet
11/15/2004
12/15/2004
1/15/2005
2/15/2005
3/15/2005
4/15/2005
5/15/2005
Date
Water Level

Crow Butte Project
Monitor Well Laboratory Report

Sample Date 5/2/05
Analysis Date 5/2/05

Well ID	Alkalinity (mg/L)	Alk SCL	Alk MCL	Conductivity (µmho/cm)	Cond SCL	Cond MCL	Chloride (mg/L)	Cl SCL	Cl MCL
SM4-2	190	513	393	640	1256	1039	13	127	88
SM4-3	193	361	301	640	1251	1043	11	38	32
SM5-20	185	268	223	500	750	625	4.9	32	27
SM5-21	177	284	236	470	755	629	4.3	29	24
SM5-22	180	278	232	470	773	644	3	33	28
SM5-23	180	287	239	470	753	628	3	28	24
SM5-24	170	264	220	450	700	583	4.9	28	24
SM5-25	175	264	220	470	724	604	6.8	31	26
SM7-14	140	180	150	330	618	515	2.6	65	54
SM7-15	150	700 SHOULD BE 200	167	350	495	413	1.9	24	20
SM7-16	140	199	166	330	451	376	1.9	24	20
CM5-18	300	441	367	1930	2916	2430	184	315	263
CM5-19	360 358	425	354	2550 2520	2916	2430	273 272	320	266
CM5-20	360	445	371	2410	2929	2441	249	310	258
CM5-21	300	441	367	1950	2910	2425	183	275	229
CM6-18	303	442	368	1940	2909	2424	181	302	252
CM6-19	300	452	377	1940	2880	2400	183	295	246
SM6-1	205	325	271	540	903	752	7.9	47	39
SM6-2	208	291	242	560	1008	840	12	85	71
SM6-9	230	336	280	490	815	679	4.9	51	42
SM6-11	205	318	265	470	691	576	5.3	24	20
SM6-12	238	348	290	520	736	613	5.3	23	19
SM6-14	200	301	251	560	936	780	13	58	48
SM6-18	198	305	254	570	837	697	16	33	27
SM6-20	210	323	269	480	717	598	5.3	26	22
CM6-12	300	436	364	1950	2794	2328	189	279	233
CM6-13	300	446	372	1940	2866	2388	188	285	238

C04

Well ID	Alkalinity (mg/L)	Alk SCL	Alk MCL	Conductivity (µmho/cm)	Cond SCL	Cond MCL	Chloride (mg/L)	Cl SCL	Cl MCL
SM7-17	195	209	174	440	539	449	3.7	30	25
SM7-18	135	217	181	350	513	427	3.3	23	19
SM7-19	140	212	176	350	599	499	2.2	38	31
SM7-23	175	278	232	480	850	708	4.8	59	50
CM5-6	303	458	382	1870	2844	2370	178	292	244
CM5-7	300	433	361	1880	2870	2392	178	288	240
CM5-8	305	448	373	1900	2876	2396	179	289	241
CM5-9	300	433	361	1900	2864	2387	179	289	241
CM5-10	290	403	336	1910	2943	2453	178	333	277
CM5-11	310	438	365	1990	2897	2414	186	307	256
CM5-12	300	456	380	1920	2982	2485	181	323	269
CM5-19	360	425	354	2520	2916	2430	268	320	266
PR8	550	484	403	4000	2866	2388	440	282	235
IJ13P	578	415	346	4110	2900	2417	422	278	232

C05

MAY 3 2005

Well ID	Alkalinity (mg/L)	Alk SCL	Alk MCL	Conductivity (µmho/cm)	Cond SCL	Cond MCL	Chloride (mg/L)	Cl SCL	Cl MCL
SM8-22	**218**	324	270	**500**	829	691	**5.9**	25	20
BOW96-1	**220**	314	262	**490**	791	659	**5.6**	24	20
CM8-14	**320**	461	384	**1860**	2952	2460	**178**	295	248
CM8-15	**315**	446	372	**1860**	2909	2424	**175**	297	247
CM8-16	**310**	454	378	**1850**	2966	2472	**172**	312	260
CM8-17	**315**	446	372	**1850**	2938	2448	**172**	347	289
CM8-18	**320**	455	379	**1850**	2995	2496	**174**	276	230
CM5-19	**363**	425	**354**	**2540**	2916	**2430**	**261**	320	**266**
PR8	**570**	**484**	**403**	**4000**	**2866**	**2388**	**440**	**282**	**235**
PR15	**335**	444	370	**1690**	2792	2327	**118**	268	223
IJ13P	**575**	**415**	**346**	**4040**	**2900**	**2417**	**413**	**278**	**232**

COC

MAY 10, 2005

Well ID	Alkalinity (mg/L)	Alk SCL	Alk MCL	Conductivity (µmho/cm)	Cond SCL	Cond MCL	Chloride (mg/L)	Cl SCL	Cl MCL
SM7-17	**195**	209	**174**	**440**	539	**449**	**3.7**	30	25
SM7-18	**135**	217	181	**350**	513	427	**3.3**	23	19
SM7-19	**148**	212	176	**350**	599	499	**2.2**	38	31
SM7-23	**178**	278	232	**480**	850	708	**4.8**	59	50
CM5-6	**300**	458	382	**1870**	2844	2370	**178**	292	244
CM5-7	**303**	433	361	**1880**	2870	2392	**178**	288	240
CM5-8	**308**	448	373	**1900**	2876	2396	**178**	289	241
CM5-9	**300**	433	361	**1900**	2864	2387	**178**	289	241
CM5-10	**290**	403	336	**1910**	2943	2453	**178**	333	277
CM5-11	**313**	438	365	**1990**	2897	2414	**185**	307	256
CM5-12	**300**	456	380	**1920**	2982	2485	**178**	323	269
CM5-19	**365**	425	**354**	**2590**	2916	**2430**	**282**	320	**266**
PR8	**580**	**484**	**403**	**4020**	**2866**	**2388**	**442**	**282**	**235**
IJ13P	**578**	**415**	**346**	**4070**	**2900**	**2417**	**417**	**278**	**232**

C07

MAY 17, 2005

Crow Butte Project
Monitor Well Laboratory Report

Sample Date 5/24/05
Analysis Date 5/24/05

Well ID	Alkalinity (mg/L)	Alk SCL	Alk MCL	Conductivity (µmho/cm)	Cond SCL	Cond MCL	Chloride (mg/L)	Cl SCL	Cl MCL
CM4-5	320	413	344	1980	3171	2642	191	336	280
CM4-6	305	405	337	1860	2812	2344	178	264	220
CM4-7	308	418	348	1860	3332	2777	181	409	341
CM7-1	298	410	342	1880	2563	2136	170	239	199
CM7-10	300	454	378	1910	2877	2398	183	297	247
CM7-11	295	432	360	1930	2817	2347	185	281	234
CM7-12	295	422	352	1940	2794	2328	185	289	241
CM5-19	360	425	354	2590	2916	2430	280	320	266
PR8	580	484	403	4050	2866	2388	439	282	235
PR15	345	444	370	1780	2792	2327	132	268	223
IJ13P	580	415	346	4080	2900	2417	422	278	232

C08

Crow Butte Project
Monitor Well Laboratory Report

Sample Date 5/31/05
Analysis Date 5/31/05

Well ID	Alkalinity (mg/L)	Alk SCL	Alk MCL	Conductivity (µmho/cm)	Cond SCL	Cond MCL	Chloride (mg/L)	Cl SCL	Cl MCL
CM5-18	305	441	367	1940	2916	2430	181	315	263
CM5-19	360	425	354	2550	2916	2430	275	320	266
CM5-20	363	445	371	2370	2929	2441	236	310	258
CM5-21	298	441	367	1950	2910	2425	181	275	229
CM6-18	300	442	368	1940	2909	2424	181	302	252
CM6-19	295	452	377	1940	2880	2400	183	295	246
PR8	585	484	403	4070	2866	2388	444	282	235
IJ13P	575	415	346	4110	2900	2417	422	278	232

C09