



June 6, 2005

Smith Ranch - Highland
Uranium Project
P. O. Box 1210
Glenrock, Wyoming USA 82637
Casper: 307-235-1628
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Mr. Lowell Spackman, 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 to Mr. Steve Ingle of the Land Quality Division and Mr. John Lusher, NRC Project Manager, via e-mail on May 31, 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 May 31, 2005 in Mine Unit-I, at a valve station manhole near Headerhouse I-3. The release of fluid resulted from a failure of fused joint on a 6-inch poly feeder line. 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,

A handwritten signature in cursive script that reads 'Ken Milmine'.

Ken Milmine
Manager-Health, Safety
& Environmental Affairs

KLM

Cc: John Lusher – NRC Project Manager C. Foldenauer K. Milmine
M.D. Bryson File HUP 4.3.3.1 File 4.6.4.2 File 4.6.4.4



Attachment

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

FAILURE OF FUSED JOINT ON 6-INCH POLY FEEDER LINE AT THE VALVE STATION MANHOLE

A. DESCRIPTION OF THE EVENT AND MITIGATIVE ACTIONS TAKEN

On May 31, 2005 at approximately 4:45 a.m., personnel discovered an Injection Fluid leak inside Mine Unit-I at a valve station manhole near Headerhouse I-3. The release occurred when a fused joint on a 6-inch poly feeder line failed. The well was immediately shut down and repairs were completed.

An estimated 4,700 gallons of Injection Fluid flowed from the manhole onto the ground. The released fluid flowed approximately 3,300 feet down an ephemeral draw where it then entered a small stockpond. The draw and stockpond contained a small amount of water from precipitation events preceding the spill and a portion of the spilled Injection Fluid mixed with this runoff water. Samples of the pond were taken and sent to an external lab for analysis and additional soil samples will be taken to determine potential effects in the stockpond area.

The approximate uranium concentration of the Injection Fluid was 1.1 mg/l. The entire area will be reevaluated during the decommissioning of the wellfield to ensure that applicable decommissioning standards for soils are met. Although no adverse impacts are expected due to the small quantity of fluid involved and the small extent of the spill, soil samples were obtained at two locations within the wetted area and at an adjacent background site. The samples will be analyzed for uranium, radium -226 and selenium.

The release occurred in the SE ¼, SW ¼, Section 24, T35N, R73W and affected approximately 0.22 acres. The exact location and extent of the spill is shown on the attached map.

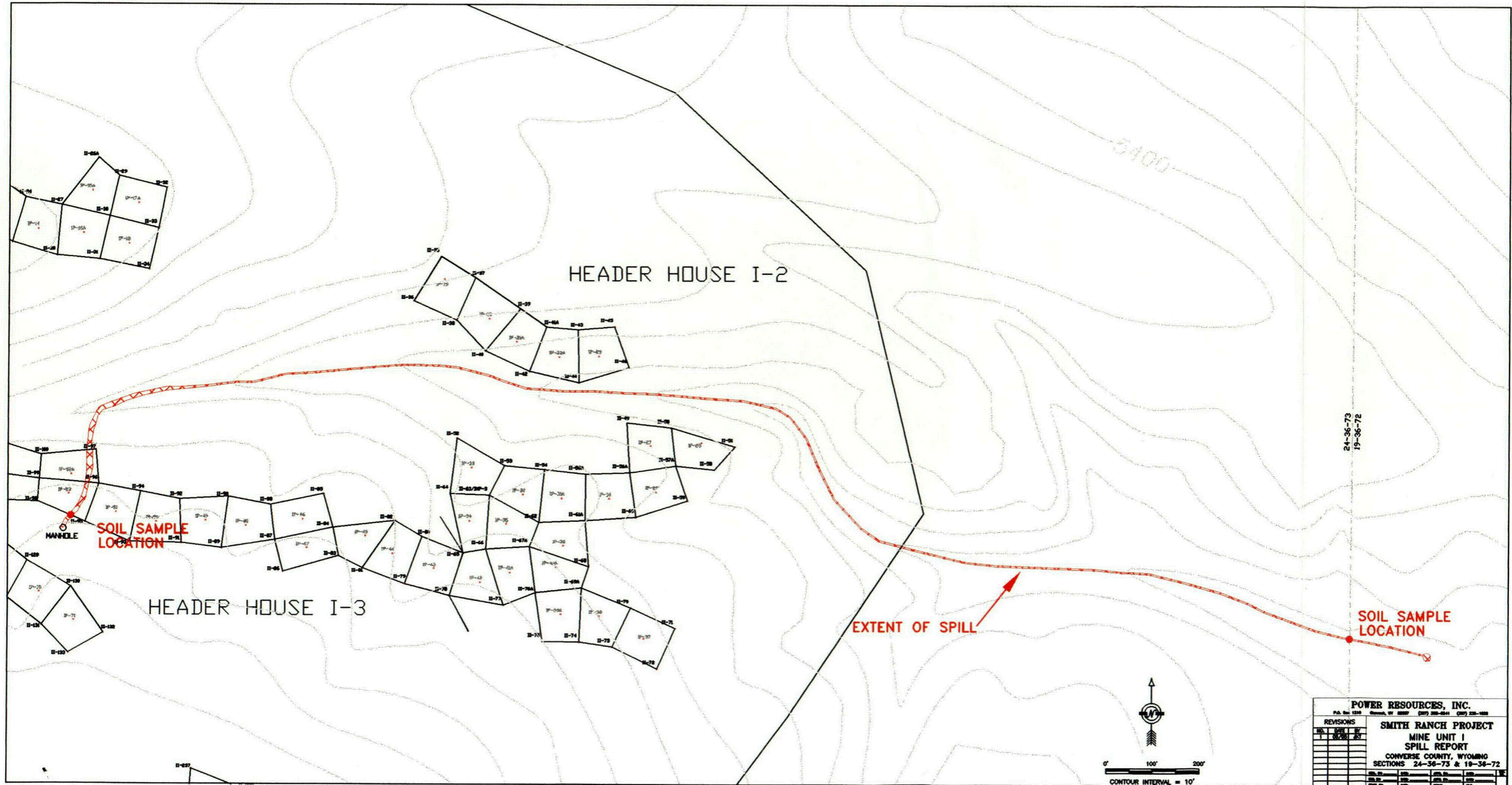
B. CAUSE OF THE RELEASE AND THE STEPS TAKEN TO PREVENT RECCURANCE

Cause

The release occurred when a fused joint on a 6-inch poly feeder line failed. It is believed this failure was the result of settling of the 6-inch line and a weak fusion at the joint.

Recurrence Prevention

The joint was repaired and the line was placed back into service.



24-36-73
19-36-72

POWER RESOURCES, INC.
 P.O. Box 1250 Converse, WY 82807 (307) 288-0041 (307) 228-1000

REVISIONS	
NO.	DATE
1	8/26/02

SMITH RANCH PROJECT
MINE UNIT I
SPILL REPORT
 CONVERSE COUNTY, WYOMING
 SECTIONS 24-36-73 & 19-36-72