



August 23, 2005

Smith Ranch - Highland
Uranium Project
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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. 633
In Situ Uranium Wellfield Release Report

Dear Mr. Spackman:

As reported to Mr. Steve Ingle of the Land Quality Division and Mr. Paul Michalak, NRC Project Manager, via e-mail on August 16, 2005, Power Resources, Inc. (PRI) had a release of Production Fluid at the Smith Ranch Uranium Project in Converse County, Wyoming. It is estimated that approximately 1,050 gallons was released to the ground. The release was detected on August 16, 2005 in Mine Unit-15 at the manhole near the staging area. The release of fluid resulted from a leaking flange between an 18-inch steel tee and the 18-inch poly trunk 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,

Ken Milmine
Manager-Health, Safety
& Environmental Affairs

KLM

Cc: Paul Michalak – NRC Project Manager	C. Foldenauer	K. Milmine
M.D. Bryson	File SR 4.3.3.1	File SR 4.6.4.2



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Attachment

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

18-INCH FLANGE LEAK AT MANHOLE IN MINE UNIT-15

A. DESCRIPTION OF THE EVENT AND MITIGATIVE ACTIONS TAKEN

On August 16, 2005 at approximately 12:30 p.m., personnel discovered a Production Fluid leak from a manhole in Mine Unit-15 near the staging area. The release occurred from a leaking flange between the 18-inch steel tee and the 18-inch poly trunk line. The line was immediately shut down and repairs were completed.

An estimated 1,050 gallons of Production Fluid flowed from the manhole onto the ground. The released fluid flowed approximately 375 feet before it absorbed into the ground. A small earthen dam was placed to prevent further migration of the released fluid, and as a result, the spill did not enter any ephemeral drainage. Soil samples will be taken to determine potential effects in the spill area. Approximately 6,500 gallons of fluid that was not released was recovered from the manhole and approximately 200 gallons of released fluid was recovered from ponded areas.

The approximate uranium concentration of the Production Fluid was 2.9 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 will be 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 SW ¼, SE ¼, Section 10, T35N, R74W and affected approximately 0.1 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 the flange between the 18-inch steel tee and the 18-inch poly trunk line began leaking.

Recurrence Prevention

The flange was pulled apart and the steel fitting face was buffed. The flange was then reattached and tightened, and the line was pressure tested prior to being placed back into service.

