



Smith Ranch - Highland
Uranium Project
P. O. Box 1210
Glenrock, Wyoming USA 82637
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December 30, 2005

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

RE: Permit to Mine 633, License SUA-1548, Docket 40-8964
Monthly Corrective Action Report for the East Evaporation Pond Leak

Dear Mr. Spackman:

Power Resources, Inc. (PRI) is herein providing a monthly status report for the East Evaporation Pond leak at the Smith Ranch facility. This leak was initially reported to Mr. Steve Ingle of the Land Quality Division and Mr. Paul Michalak, NRC Project Manager, on October 21, 2005 and a follow up report was submitted on November 21, 2005.

As stated in the report submitted on November 21, 2005, the East Evaporation Pond has been dewatered, which has stopped the pond from leaking. The East Evaporation Pond is currently not in use and it is not anticipated that any more fluid will leak from the pond in its current state. Due to freezing conditions, sludge cannot be removed from the pond and properly decanted for disposal. PRI plans to start removing sludge again from the East Pond in March of 2006. A new liner will then be installed once the sludge is removed as previously reported.

PRI will continue to monitor the pond and sump and take appropriate actions, as necessary.

If you have any questions or need additional information, please call me at (307) 358-6541, ext. 46.

Sincerely,

Ken Milmine
Manager-Health, Safety
& Environmental Affairs

KLM

cc: Paul Michalak, NRC Project Manager
S. Hatten M. D. Bryson

C. Foldenauer
File SR-4.3.3.4

P. Drummond
File SR-4.3.3.4

