



**Smith Ranch - Highland  
Uranium Project**  
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January 18, 2007

Mr. Lowell Spackman, District 1 Supervisor  
Land Quality Division  
Wyoming Department of Environmental Quality  
Herschler Building  
122 West 25<sup>th</sup> 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 Wyoming Department of Environmental Quality (WDEQ), Land Quality Division, Mr. Joe Hunter of WDEQ, Water Quality Division and Mr. Paul Michalak, NRC Project Manager, via e-mail and phone January 15, 2006. Power Resources, Inc. (PRI) had a release of Injection Fluid at the Smith Ranch Uranium Project in Converse County, Wyoming. It is estimated that 5000 gallons was released to the ground with 3500 gallons recovered. 1500 gallons was reported as released to the environment. The release was detected at approximately 10:00 P.M. on January 18 2007 in Mine Unit-F by a Satellite Operator. The release of fluid resulted from the failure of a metal fitting on the injection pipeline. The spill was located at bellhole F-47 in Wellfield F. The solutions did not threaten nor enter the waters of the State. The line was taken out of service and properly repaired. The known uranium content of the fluids was 2.0 ppm. The fluid is not considered hazardous material under RCRA, and is not reportable under SARA.

As a result of this spill, mine Unit F, parts of Mine Unit D were shut in until an evaluation of the cause(s) of the failure can be evaluated.

Power Resource's Spill Committee will meet to assess the spill and make recommendations for improvement. Power Resource's Spill Committee meets bi-monthly and after each spill to discuss preventive measures to minimize the potential of releases from PRI's operations and to assess and make recommendations to potentially mitigate re-occurrences.

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.



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Sincerely,



John McCarthy  
Manager-Health, Safety  
& Environmental Affairs

Cc: Paul Michalak – NRC Project Manager      C. Foldenauer      M.D. Bryson  
S. Hatten      File HUP 4.3.3.1      File SR 4.6.4.2      File SR 4.6.4.4  
B. Johnson      P. Drummond      Joe Hunter – Water Quality Division

## Attachment

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

#### Metal Fitting Failure

A. DESCRIPTION OF THE EVENT AND MITIGATIVE ACTIONS TAKEN

On January 13, 2007 at approximately 10:00 P.M., a Satellite Operator discovered a leak at Bellhole F-47 in Wellfield F. The release of fluids resulted from fatigue of a metal fitting. Upon discovery, the line was immediately shut down until repairs could be completed.

An estimated 5000 gallons of Injection Fluid was released and 3500 gallons recovered with a vacuum truck. As a result 1500 gallons was reported as released to the environment. The released fluid did not threaten nor enter waters of the state.

The uranium concentration of the fluid was 2.0 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, the small extent of the spill, and the low concentrations of uranium.

The release occurred in Mine Unit F and affected approximately 0.03 acres.

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

Cause

The release occurred with the failure of a metal fitting.

Recurrence Prevention

Our PRI Spill Committee will meet to discuss this spill and to recommend any corrective actions that could be taken. As a result of this spill, Mine Unit F, and parts of Mine Unit D were taken out of service until an investigation and any requested corrective actions are completed.