



**Smith Ranch - Highland
Uranium Project**
P. O. Box 1210
Glenrock, Wyoming USA 82637
Casper: 307-235-1628
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June 6, 2007

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

RE: Highland Uranium Project
Permit to Mine No. 603
Excursion at Monitor Well IM-11

Dear Mr. Spackman:

In accordance with License Condition No. 12.1 and Section 8.4 of the approved Operations Plan for the Highland Uranium Project, Power Resources, Inc. (PRI) is providing written notification that Monitor Well IM-11 appeared to be on excursion status May 1, 2007. Consistent with Section 8.4 of the Operations Plan, Mr. Steve Ingle of your staff was notified of this potential excursion by telephone on May 1, 2007.

During an investigation regarding causes for the potential excursion we discovered 11 casing volumes were being evacuated prior to sampling this well. PRI strongly believed the potential excursion was caused by over pumping the monitor well prior to sampling. Mr. Ingle was asked that the confirmation sample be delayed until Friday, May 11 rather than removal of additional pore volumes thus compounding the problem. The verification sample showed considerable improvement with all parameters below Upper Control Limits. Below are sampling results from January, 2007 to present. As can be seen in the table below, the parameters dropped below approved UCLs with the sample taken on May 11, 2007. This confirmed our determination that excessive pore volumes were the cause of exceeding our UCLs. Monitor well IM-11 has now returned to the regular sampling schedule.

Date	Chloride (mg/L)	Alkalinity (mg/L CaCO₃)	Conductivity (µMhos/cm)
	UCL 17	UCL 211	UCL 928
5/30/07	10	181	708
5/23/07	10	181	718
5/15/07	13	183	717



5/11/07	12	185	727
5/1/07	18	213	744
4/16/07	17	205	766
3/20/07	17	203	754
3/5/07	16	191	734
2/15/07	14	192	734
1/30/07	15	196	708
1/17/07	16	203	727
1/3/07	15	194	750

If you have any questions, please call me at your earliest convenience at (307) 358-6541, ext. 46.

Sincerely,



John McCarthy
Manager-Health, Safety
& Environmental Affairs

cc: C. Foldenauer

P. Michalak, USNRC

File HUP-4.6.4.1