



Smith Ranch - Highland
Uranium Project
P. O. Box 1210
Glenrock, Wyoming USA 82637
Casper: 307-235-1628
Douglas: 307-358-6541
Fax: 307-358-4533

July 11, 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 CM-32

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 CM32 appeared to be on excursion status July 10, 2007. Consistent with Section 8.4 of the Operations Plan, Mr. Steve Ingle of your staff was notified of this potential excursion by e-mail on June 11, 2007.

As stipulated in License Condition 11.5 of Materials License SUA 1548. Sampling frequency will become weekly until the excursion is controlled and verified by sampling results.

Well CM32 was sampled on July 3, 2007 with results received July 5 indicating excursion parameters were exceeded. As per license condition, the well was re-sampled within 24 hours to confirm the potential excursion. The confirmation results were received July 10, 2007. Well CM-32 is adjacent to Headerhouse C-22 which is presently turned off and is being retrofitted prior to restoration activities. Seven wells associated with headerhouse C-22 will be turned on by weeks end. These wells will undergo a systematic check for potential problems and/or leaks as they are brought back on line. These seven wells will form a cone of hydrologic depression bring the solutions back into the wellfield and allow for control of the excursion. The wellfield is within 900' of past underground workings.

Date	Chloride (mg/L)	Alkalinity (mg/L CaCO ₃)	Conductivity (µMhos/cm)
	UCL 18	UCL 202	UCL 852
7/6/07	38	199	924
7/3/07	40	206	881



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

S. Collings

P. Michalak, USNRC

File HUP-4.6.4.1