



**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

August 16, 2007

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

RE: Highland Uranium Project  
Permit to Mine No. 603  
Status of Wells CMU1 and CMU3

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 CMU1 and CMU3 reported to be on excursion status August 7, 2007 are not on excursion. Consistent with Section 8.4 of the Operations Plan, Mr. Steve Ingle of your staff was notified of this potential excursion August 7, 2007.

As requested by your office on August 8, 2007 PRI is providing written notification of the current status. Upon research of wells CMU1 and CMU3 it has been determined they were completed within the underground workings located below Mine Unit C for the sole purpose of assessing the progress of groundwater restoration fluids. A permit revision dated November of 1992 included these wells into the production zone for the above stated purpose. The increase in chlorides, alkalinity and conductivity was expected and demonstrates restoration fluid is progressing into the underground workings.

These wells will continue to be monitored for groundwater restoration progress only and not for potential excursion.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'John McCarthy', is written over a horizontal line.

John McCarthy  
Manager-Health, Safety  
& Environmental Affairs

cc: C. Foldenauer S. Collings P. Michalak, USNRC File HUP-4.6.4.1

