



**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 30, 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  
Release of Solutions Report

Dear Mr. Spackman:

As reported to Mr. Steve Ingle of Wyoming Department of Environmental Quality (WDEQ), Land Quality Division, Mr. Paul Michalak, NRC Project Manager, and Mr. Joe Hunter of WDEQ, Water Quality Division via e-mail and/or phone August 24, 2007. Power Resources, Inc. (PRI) had a release of Deep Disposal at the Smith Ranch-Highland Uranium Project in Converse County, Wyoming. It is estimated that 11,600 gallons were released from a buried pipeline and with approximately 7,500 gallons surfacing, 0.0 gallons recovered. The release was detected at approximately 10:55 A.M. on August 23, 2007 at a buried pipeline adjacent to Mine Unit-2 by a Satellite Operator. The solutions did not threaten nor enter the waters of the State. Samples of the fluid were recovered and sent to an outside laboratory for a Guideline 8 analysis. Soil samples will be collected at 0-2", 2-6" and 6-12" for analysis. The fluid is not considered hazardous material under RCRA, and is not reportable under SARA.

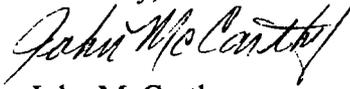
Power Resource's Spill Committee meets monthly and after each spill to discuss preventive measures to minimize the potential of releases from PRI's operations and to assess and make recommendations to potentially mitigate re-occurrences.

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 me at (307) 358-6541 ext. 46 if you have any questions.

Sincerely,



John McCarthy  
Manager-Health, Safety  
& Environmental Affairs

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

## Attachment

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

#### Deep Disposal Pipeline Fluids

##### A. DESCRIPTION OF THE EVENT AND MITIGATIVE ACTIONS TAKEN

On August 23, 2007 at approximately 10:55 A.M., a Satellite Operator reported a release of Deep Disposal fluid at a buried pipeline adjacent to Wellfield 2.

An estimated 11,600 gallons of Deep Disposal fluid was released from the buried pipeline with approximately 7,500 gallons surfacing and 0.0 gallons recovered. As a result 11,600 gallons was reported as released to the environment. The released fluid did not threaten nor enter waters of the state.

Fluid samples were collected and sent to an outside laboratory for Guideline 8 analysis. Soil samples will be collected from the effected surface at 0-2", 2-6" and 6-12" intervals.

The release occurred adjacent to Mine Unit 2 and affected approximately 0.34 acres.

##### B. CAUSE OF THE RELEASE AND THE STEPS TAKEN TO PREVENT RECURRANCE

###### Cause

The cause of the release was a failure of a cold fusion joint in the buried Deep Disposal polyline. The line was shut off and repaired.

###### Recurrence Prevention

Power Resources Inc.s' Spill Committee met on August 24 to discuss this spill and to recommend any corrective actions that could be taken. The committee recommended the line be pressure tested to verify the competency of the line. The line has been pressure tested in the past year, but the committee recommended an Operation Review Committee (ORC) be convened to review the safety and technical aspects of the proposed test.