



January 19, 2009

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

**CAMECO RESOURCES**  
**Smith Ranch-Highland**  
**Operation**

**Mall:**  
**P.O. Box 1210**  
**Glenrock, WY**  
**82637 USA**

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**RE: Permit to Mine No. 603, Release of Solutions Report**

Dear Mr. Spackman:

As reported by phone message to Ms. Pam Rothwell of the Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD), Mr. Joe Hunter of the WDEQ Water Quality Division (WDEQ/WQD) and Mr. Doug Mandeville of the Nuclear Regulatory Commission (NRC) on January 11, 2009, Power Resources, Inc. d/b/a Cameco Resources (CR) had a release of injection/production water at the Smith Ranch-Highland Uranium Project in Converse County, Wyoming. Approximately 1,820 gallons were released from Satellite No. 2, located in SWNE of Section 14, T.36N, R.73W.

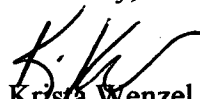
The leak was detected at approximately 10:30 pm on January 10, 2009 by a wellfield operator. The solution did not threaten nor enter the waters of the State. A fluid sample was recovered and analyzed by the onsite lab; the uranium concentration was reported to be 15 ppm. Soil samples have been collected at representative areas at 0-6" for analysis with an accredited outside laboratory and a gamma survey was performed across the spill area. The fluid is not considered hazardous material under RCRA and is not reportable under SARA.

An 8" schedule 80 dump valve and associated piping broke free of IX-21 in Satellite No. 2 releasing production/injection fluid into the process area of the satellite. Approximately 2000 gallons per minute was released to the floor which feeds to the centrally located sump. The sump activated and transferred solutions to a storage tank within the Satellite. Approximately 1,820 gallons of solution exited the building. A field map is included in this package. The leak was isolated, clean up was completed and radiation surveys confirmed the clean-up was successful. The satellite and affected area was cordoned off to reduce access until radiological surveys were completed. The dump valve and piping were repaired and the satellite placed back into service.

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

Please call me at (307) 358-6541 ext. 62 if you have questions.

Sincerely,



Krista Wenzel  
Manager, Environment, Health and Safety

Attachment: Map

cc: Doug Mandeville – NRC Project Manager (2-copies) T. Cannon  
M. Bryson File HUP 4.3.3.1 File SR 4.6.4.2  
File SR 4.6.4.4 S. Bakken D. Kolkman  
B. Johnson S. Miller Joe Hunter – Water Quality Division

