



Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

January 23, 2009

CERTIFIED MAIL #7008 1140 0004 2414 0141
RETURN RECEIPT REQUESTED

Ms. Krista Wenzel
Manager-Health, Safety and Environmental Affairs
Cameco Resources
P.O. Box 1210
Glenrock, WY 82637

RE: Notice of Violation, Docket No. 4419-09
Cameco Resources (CR), Permit 603, Insitu Uranium Operation

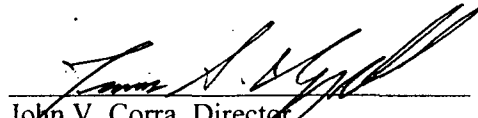
Dear Ms. Wenzel:

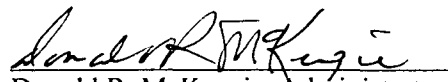
Enclosed you will find a Notice of Violation issued under the provisions of Wyoming Statute § 35-11-701(c). The Notice of Violation is the result of a potential excursion in the C-Wellfield that was missed by CR staff for confirmation sampling. The event occurred on September 4, 2008 and was identified by LQD staff through review of the 2008 third quarter monitor well report on November 21, 2008.

In an effort to resolve this matter without further legal action, the LQD is requesting you contact Mr. Lowell Spackman, Land Quality Division (LQD), District I Supervisor at 307-777-7052 or at lspack@state.wy.us within fifteen (15) days of receipt of this letter to schedule a meeting to discuss resolution of this enforcement action. Should resolution of this enforcement action be reached as a result of this meeting, a Settlement of Agreement will be signed by both parties.

If you should have any questions regarding this letter, please contact Mr. Spackman at the above noted telephone number or Mr. Donald McKenzie, LQD Administrator, at (307)777-7046. Thank you in advance for your cooperation in this matter.

Respectfully,


John V. Corra, Director
Department of Environmental Quality


Donald R. McKenzie, Administrator
Land Quality Division

Enclosure: Notice of Violation
cc: District I

Herschler Building • 122 West 25th Street • Cheyenne, Wyoming 82002 • <http://deq.state.wy.us>

ADMIN/OUTREACH
(307) 777-7758
FAX 777-3610

ABANDONED MINES
(307) 777-6145
FAX 777-6462

AIR QUALITY
(307) 777-7391
FAX 777-5616

INDUSTRIAL SITING
(307) 777-7368
FAX 777-6937

LAND QUALITY
(307) 777-7756
FAX 777-5864

SOLID & HAZ. WASTE
(307) 777-7752
FAX 777-5973

WATER QUALITY
(307) 777-7781
FAX 777-5973



**DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

NOTICE OF VIOLATION

**IN THE MATTER OF THE NOTICE OF
VIOLATION ISSUED TO
CAMECO RESOURCES
SMITH RANCH-HIGHLAND OPERATION
P.O. BOX 1210
GLENROCK, WY 82637**

DOCKET NO. 4419-09

Re: Insitu Uranium Operation, Permit #603

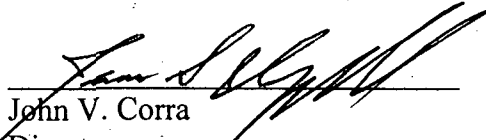
NOTICE

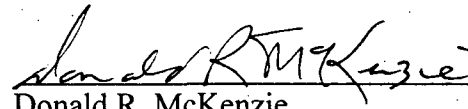
NOTICE IS HEREBY GIVEN THAT:

1. Notice of Violation is being sent to you pursuant to W.S. §35-11-701(c) which requires that a written notice shall be issued in the case of failure to correct or remedy an alleged violation specifying the provision of the act, rule, regulation, standard, permit, license, or variance alleged to be violated.
2. As a result of the Land Quality Division (LQD) investigation of the Highland Uranium Project (HUP) 2008 Third Quarter Monitoring Report on November 20, 2008, an excursion was discovered by LQD in sampling data reported on September 4, 2008. The report indicated well CM-14 had exceeded all upper control limit parameters during that sampling event.
3. According to the WEQA § 35-11-429 (a)(i), an operator is required to give verbal notice of an excursion as soon as practical after the excursion is confirmed. The Land Quality Division (LQD) Noncoal Rules and Regulations (R&R), Chapter 11, Section 12 (b) defines confirmation of an excursion as any detected excursion followed by a second or third repeat sample within 24 hours of the original detection which confirms the excursion. The R&R Chapter 11 Section 12 (c) requires the operator to verbally report any confirmed excursion within 24 hours of confirmation and submit a written report within five days of the confirmation, detailing the procedures for mitigating or controlling the excursion.
4. The HUP Mine Plan, Section 8.4 defines an excursion when any two of the three Upper Control Limit (UCL) parameters chloride, bicarbonate, and conductivity, are exceeded. It further states that a verification sample is taken within 24 hours of the determination that a sample has exceeded two of the three UCL values. The verification sample is split and analyzed in duplicate to assess analytical error.
5. CR failed to conduct the confirmation sample for CM-14 within 24 hours of the original detection violating R&R Chapter 11, Section 12(b).
6. Wyoming Statute §35-11-901(a) provides that any person who violates any provision of the Environmental Quality Act or any rule, standard, permit, license or variance adopted hereunder is liable to a penalty of ten thousand dollars (\$10,000.00) for each day of violation, which penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming.

NOTHING IN THIS NOTICE shall be interpreted to in any way, limit or contravene any other remedy available under the Environmental Quality Act, nor shall this Order be interpreted as being a condition precedent to any other enforcement action.

SIGNED this 23rd day of January, 2009


John V. Corra
Director
Department of Environmental Quality


Donald R. McKenzie
Administrator
Land Quality Division

Please direct all inquiries regarding this Notice of Violation and Order to Mr. Lowell Spackman, Wyoming Department of Environmental Quality, Land Quality Division, Cheyenne Office, 122 West 25th Street, Cheyenne, WY 82002, Telephone No. (307) 777-7052.

Cc: Lowell Spackman, District I
File Docket # 4419-09
Doug Mandeville, NRC