

February 27, 2008

Mr. Lowell Spackman, District I Supervisor **Land Quality Division** Wyoming Department of Environmental Quality 122 West 25th Street Cheyenne, WY 82002

CAMECO RESOURCES Smith Ranch-Highland Operation Mail: P.O. Box 1210 Glenrock, WY 82637 USA

Tel: (307) 358-6541 Fax: (307) 358-4533 www.cameco.com

RE:

Permit to Mine 633, License SUA-1548, Docket 40-8964

Report of East Storage Pond Leak and Corrective Actions

Dear Mr. Spackman:

Power Resources, Inc. d/b/a Cameco Resources (CR) is herein reporting a leak in the East Storage Pond at the Smith Ranch Facility. Following confirmation results, the leak was reported to Ms. Pam Rothwell of the Land Quality Division, Wyoming Department of Environmental Quality and Mr. Doug Mandeville, USNRC Project Manager, on February 27, 2008.

The cause of the leak is unknown so corrective actions have not been identified. The pond has been lowered below the leak.

Initial and Confirming Sample Results

Sample	U_3O_8	Chloride	Bicarb	Sulfate	Conductivity
E. Sump	(ppm)	(g/L)	(g/L)	(g/L)	(mS/cm)
2/26/09	263	0.7	0.8	1.3	4.3

If you have questions or need additional information please call me at (307) 358-6541, ext. 462.

Sincerely.

Krista Wenzel

Manager, Environment, Health and Safety

cc: D. Mandeville, NRC Project Manager (2 copies) M. D. Bryson

S. Bakken

File SR-4.3.3.4

T. Cannon