

April 8, 2009

Mr. Lowell Spackman, District 1 Supervisor Land Quality Division Wyoming Department of Environmental Quality Herschler Building 122 West 25th Street Cheyenne, WY 82002

RE: Permit to Mine No. 633, Release of Solutions Report

Dear Mr. Spackman:

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

As reported to Ms. Pam Rothwell of Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD), Mr. Doug Mandeville, Nuclear Regulatory Commission (NRC), and Joe Hunter, WDEQ, Water Quality Division (WDEQ/WQD), on April 2, 2009, Power Resources, Inc. d/b/a Cameco Resources (CR) had a release of injection solutions at the Smith Ranch-Highland Uranium Project in Converse County, Wyoming. Approximately 1,474 gallons were released from Well No. KI-218 in Mine Unit K. A solution sample was collected upon discovery of the release and analysis showed 2.0 ppm U₃O₈. Soil samples will be collected and a gamma survey of the release area will be conducted using a MicroR meter. The samples have not been collected to date due to drifting from a resent snow storm. The well is located in the NE SE of Section 25, T.36N., R.74W, Converse County, Wyoming. A field map is attached.

The leak was detected at approximately 7:50 pm on April 2, 2009 by a Wellfield Operator. An Apparent Cause Investigation was done and the cause was attributed to operator error, operating procedures were not followed. The fluid is not considered hazardous material under RCRA and is not reportable under SARA.

CR's Spill Committee meets monthly and as needed to discuss preventive measures to minimize the potential of releases from Smith Ranch-Highland Uranium Operations and to assess and make recommendations to potentially mitigate re-occurrences. The Spill Committee will met to discuss this spill and corrective actions. On the morning of April 8, 2009 the Mine Manager met with all Wellfield Operators to discuss this incident and job performance expectations.

Please call me at (307) 358-6541 ext. 462 if you have questions.

Sincerely,

Krista Wenzel

Manager, Environment, Health and Safety

Attachment: Map

cc:

T. Cannon

M. Bryson

S. Bakken

D. Kolkman

S. Miller

B. Kluchewski

File SR 4.3.3.1

File SR 4.6.4.4

Doug Mandeville – NRC Project Manager (2-copies)

Joe Hunter – Water Quality Division

