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May 14, 2009

Mr. Doug Mandeville
U.S. Nuclear Regulatory Commission
11545 Rockville Pike
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Rockville, MD 20852-2738

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RE: Correction to Memo Dated May 6, 2009: 2009 – 2010 Surety Bond Estimate for Gas Hills Satellite Facility, Source Materials License **SUA-1548**

Dear Mr. Mandeville:

The attachments were not complete for the above referenced memo. This memo includes the complete set of attachments. In addition, the cover letter is included below in its entirety to provide a complete document. We apologize for any confusion this may have caused.

We are enclosing the 2009 – 2010 surety bond estimate for reclamation of the Gas Hills satellite facility (detail table enclosed). This satellite facility remains non-operational and in stand-by status. We have reduced the proposed 2009 – 2010 surety bond estimate to \$1,944,000 from the present (2008 – 2009) surety bond of \$4,054,800 because of reductions in the following line items:

- Based on a site monitor well inventory conducted in 2008, we have determined that 56 monitor wells remain versus the previous estimate of 88 wells. These remaining wells were upgraded with new surface seals and protective casings, and surface re-vegetation is underway. In addition, the monitoring wells installation tentatively planned for '08-'09 has been put on hold and is not planned for '09-'10. Surface reclamation only is included for another 12 monitor wells plugged and abandoned in September 2008 (see enclosed detail table Part II.A). Overall, these revisions have resulted in a decrease of approximately \$301,000 in the proposed surety estimate.
- The production wells installation tentatively planned for '08-'09 has been put on hold and is not planned for '09 - '10 (table Part II.B). This has resulted in a decrease of approximately \$524,000 in the proposed surety estimate.
- A total of 80 delineation boreholes are tentatively planned for 2009 (table Part II.D.1). Delineation boreholes drilled in 2007 (120 actually drilled vs. 125 planned) and 2008

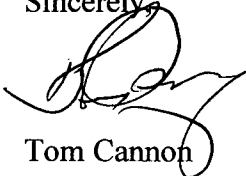
(156 actual vs. 285 planned) have been plugged, abandoned, and re-graded. Borehole drill pad surface re-vegetation is underway (table Part II.D.2). This has resulted in a decrease of approximately \$943,000 in the proposed surety estimate.

- We have increased the “Building Demolition and Disposal Cost” and “Miscellaneous Reclamation Cost” estimates to reflect changes in units costs listed in the October 2008 update of the Wyoming Department of Environmental Quality – Land Quality Division’s *Guideline 12: Standardized Reclamation Performance Bond Format and Cost Calculation Methods* (table Part I). These new unit costs have resulted in an increase of approximately \$77,000 to Parts I and III of the proposed surety estimate (table . The remaining decrease in the proposed surety estimate is a result of applying the 25% contingency factor to the “Subtotal Reclamation Cost Estimate” line item. This has resulted in an additional decrease of approximately \$422,000 to the proposed ’09-’10 surety bond estimate.

We have increased the building demolition and disposal estimate because of increases to demolition and disposal units costs listed in the October 2008 update of the Wyoming Department of Environmental Quality – Land Quality Division’s *Guideline 12: Standardized Reclamation Performance Bond Format and Cost Calculation Methods*.

If you have further questions or comments concerning the Gas Hills surety bond estimate, please contact Krista Wenzel, Manager, Environment, Health and Safety, at (307) 358-6541 ext. 462.

Sincerely,



Tom Cannon
General Manager

Attachment: Surety Estimate

cc: K. Wenzel
J. Lawler

J. McCarthy

S. Collings

S. Bakken

2009 - 2010 SURETY BOND ESTIMATE

Cameco Resources Gas Hills Satellite ISR Project
Source Materials License SUA-1548 (TACJ00571)

Total Reclamation Cost Estimate

PART I.	BUILDING DEMOLITION AND DISPOSAL COST	\$741,466
PART II.	WELL + HOLE ABANDONMENT COST	\$520,409
PART III.	MISCELLANEOUS RECLAMATION COST	\$293,300
SUBTOTAL RECLAMATION COST ESTIMATE		\$1,555,175
ADMINISTRATIVE, OVERHEAD, AND CONTINGENCY ITEMS (25%) ^a		\$388,794
TOTAL		\$1,943,969
TOTAL CALCULATED SURETY (IN 2008 DOLLARS^a)		\$1,944,000

^a Based on WDEQ-LQD Guideline No. 12 (10/2008)

2009 - 2010 SURETY BOND ESTIMATE
 Cameco Resources Gas Hills Satellite ISR Project
 Source Materials License SUA-1548 (TACJ00571)

Part I. Building Demolition and Disposal

	Carol Shop	Tire Shop	Change House	Air Comp Building	Water Treat Building	BaCl Building
A. Demolition Costs						
Assumptions						
Concrete footings buried in place						
1. Building						
Volume of Building (ft3)	1,424,625	54,560	18,600	5,000	9,000	10,368
Demolition Unit Cost per WDEQ Guideline No.12, App.K (\$/ft3)	\$0.234	\$0.234	\$0.234	\$0.234	\$0.234	\$0.234
Subtotal Building Demolition Costs	\$333,362	\$12,767	\$4,352	\$1,170	\$2,106	\$2,426
2. Concrete Floor						
Area of Concrete Floor (ft2)	56,985	2,480	1,860	500	600	864
Demolition Unit Cost per WDEQ Guideline No.12, App.K (\$/ft2)	\$4.61	\$4.61	\$4.61	\$4.61	\$4.61	\$4.61
Subtotal Concrete Floor Demolition Costs	\$262,701	\$11,433	\$8,575	\$2,305	\$2,766	\$3,983
3. Concrete Footing						
Length of Concrete Footing (ft)	1221	204	184	48	60	48
Demolition Unit Cost per WDEQ Guideline No.12, App.K (\$/lin. ft)		\$16.41	\$16.41	\$16.41	\$16.41	\$16.41
Subtotal Concrete Footing Demolition Costs	\$0	\$3,348	\$3,019	\$788	\$985	\$788
Demolition Unit Cost per Building	\$596,063	\$27,548	\$15,946	\$4,263	\$5,857	\$7,197
Subtotal Building Demolition Costs	\$656,874					
B. Disposal Costs						
1. Building						
Assumptions						
On-site disposal cost of \$1.25/cy						
Building volume (cy)	52,764	2,021	689	185	333	384
Disposal Unit Cost (\$1.25 /cy)	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
Subtotal Building Disposal Costs	\$65,955	\$2,526	\$861	\$231	\$417	\$480
2. Concrete Floor						
Area of Concrete Floor (ft2)	56985	2480	1860	500	600	864
Average Thickness of Concrete Floor (ft)	0.833	0.5	0.5	0.5	0.5	0.5
Volume of Concrete Floor (ft3)	47,469	1,240	930	250	300	432
Volume of Concrete Floor (cy)	1,758	46	34	9	11	16
Disposal Unit Cost per WDEQ Guideline No.12, App.K (\$/cy)	\$6.86	\$6.86	\$6.86	\$6.86	\$6.86	\$6.86
Subtotal Concrete Floor Disposal Costs	\$12,061	\$315	\$236	\$64	\$76	\$110
3. Concrete Footing						
Length of Concrete Footing (ft)	1,221	204	104	54	97	117
Average Depth of Concrete Footing (ft)	4	3	3	3	3	3
Average Width of Concrete Footing (ft)	0.75	0.75	0.75	0.75	0.75	0.75
Volume of Concrete Footing (ft3)	3663	459	234	121.5	218.25	263.25
Volume of Concrete Footing (cy)	136	17	9	5	8	10
On-site Disposal Unit Cost per WDEQ Guideline No.12, App.K (\$/cy)	\$6.86	\$6.86	\$6.86	\$6.86	\$6.86	\$6.86
Subtotal Concrete Footing Disposal Costs	\$931	\$117	\$59	\$31	\$55	\$67
Subtotal Disposal Costs per Building	\$78,947	\$2,958	\$1,156	\$326	\$548	\$657
Total Building Disposal Costs	\$84,592					
SUBTOTAL DEMOLITION AND DISPOSAL COSTS PER BUILDING	\$675,010	\$30,506	\$17,102	\$4,589	\$6,405	\$7,854
TOTAL BUILDING DEMOLITION AND DISPOSAL COSTS	\$741,466					

2009 - 2010 SURETY BOND ESTIMATE

Cameco Resources Gas Hills Satellite ISR Project
Source Materials License SUA-1548 (TACJ00571)

Part II. Well & Hole Abandonment

A. Monitoring Wells ¹	
Site Location (\$10/site Monitor Wells)	\$10
Removal of the Top Few Feet of Casing	\$15
Sealing of wells using High Solids Bentonite Grout	
(<500' depth @ \$4.00 per ft.)	\$2,000
(<1000' depth @ \$6.28 per ft.)	\$6,280
Concrete Well Cap @ \$15.00 ea.	\$15
Rough site grading @ \$35/site (2008 Actual)	\$35
Final Site Grading and Seeding (800 ft ² per well) (2008 Actual)	\$52
Subtotal for well <500'	\$2,127
Subtotal for well <1000'	\$6,407
56 Existing Monitor Wells (<500')	\$119,112
12 Monitor Wells P&A 2008 (Surface Reclam. Bond)	\$1,164
Subtotal Monitoring Well Abandonment Costs	\$120,276
B. Production Wells ¹	
Removal of the Top Few Feet of Casing, per well	\$15
Sealing of wells using High Solids Bentonite Grout	
(<500' depth @ \$4.00 per ft.)	\$2,000
(<1000' depth @ \$6.28 per ft.)	\$6,280
Concrete Well Cap @ \$15.00 ea.	\$15
Sub total for 500' well ³	\$2,030
Sub total for 1000' well	\$6,310
0 Proposed Production Wells (500' or Less)	\$0
0 Proposed Injection Wells (500' or Less)	\$0
Subtotal Production Well Abandonment Costs	\$0
C. Federal No. 32-2 Water Supply Well (GHWW1) ^{1,2}	
Removal of the Top Few Feet of Casing	\$15
Sealing of wells using High Solids Bentonite Grout	
(1325' depth @ \$6.28 per ft.)	\$8,321
Concrete Well Cap @ \$15.00 ea.	\$15
Subtotal Federal No. 32-2 Water Well Abandonment Costs	\$8,351
D. Delineation Drilling	
1. Plugging, Abandonment, & Surface Reclamation for Proposed Holes	
Site Location ¹ \$10.00/site	\$10
Sealing of wells using High Solids Bentonite Grout	
(<500' depth @ \$4.00 per ft.)	\$4.00
(<1000' depth @ \$6.28 per ft.)	\$6.28
Rough site grading @ \$35/site (2008 Actual)	\$35

2009 - 2010 SURETY BOND ESTIMATE

Cameco Resources Gas Hills Satellite ISR Project
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Part II. Well & Hole Abandonment

Final Site Grading and Seeding, 800 ft ² /drill pad (2008 Actual)	\$52
Subtotal for 80 x 700' Holes (Planned 2009 Program)	\$359,440
2. Surface Reclamation Bond for Completed (P&A) Drill Holes	
Subtotal for 85 x 500' holes (drilled 2007)	\$8,245
Subtotal for 35 x 870' holes (drilled 2007)	\$3,395
Subtotal for 110 x 400' holes (drilled 2008 State Lease)	\$10,670
Subtotal for 46 x 800' holes (drilled 2008)	\$4,462
Fresh Water Pond: 48(long) X 48(wide) X 4(deep)	
5 hours, D-7 Cat Dozer @ 120.00/hr ²	\$600
Seeding of one staging/lay down area (60' X 60' = 0.08 acre) ³	\$485
Seeding of access road to drill sites (8' X 4000' = 0.74 acre) ³	\$4,485
Subtotal for Completed Drilling	\$4,970
TOTAL WELL + HOLE ABANDONMENT COSTS	\$520,409

¹, Based on WDEQ-LQD Guideline No. 12 (10/2008)

², Site Reclamation is included in "MISC REC"

³, Based on Guideline No. 12, App. Q

2009 - 2010 SURETY BOND ESTIMATE

Cameco Resources Gas Hills Satellite ISR Project
Source Materials License SUA-1548 (TACJ00571)

Part III. Miscellaneous Reclamation

A. Carol Shop/Office Area		Carol Shop/Office Area
Assumptions		
Concrete, asphalt, and building material used to backfill low areas		
Average haul distance (ft)		2,000
Surface grade: Level ground		
1. Topsoil Application		
Topsoil Surface Area (acres)		21
Average Depth of Topsoil (ft)		0.5
Volume of Topsoil (cy)		16,940
Topsoil Unit Cost per WDEQ Guideline No.12, App.C (\$/cy)		\$1.54
Subtotal Topsoil Application Cost		\$26,054
2. Discing/Seeding		
Surface Area (acres)		21
Discing/Seeding Unit Cost (\$/acre)		\$500
Subtotal Discing/Seeding Costs		\$10,500
Subtotal Carol Shop/Office Area Reclamation		\$36,554
B. Carol Shop Road		Carol Shop Road
Assumptions		
Surface grade: Level ground		
Average haul distance (ft)		1,000
Length of road (miles)		5
Average road width (ft)		50
1. Gravel Road Base Removal		
Gravel Road Base Width (ft)		50
Average Road Base Depth (ft)		0.5
Volume of Road Base (cy)		24,444
Removal Unit Cost per WDEQ Guideline No.12, App.C (\$/cy)		\$1.19
Subtotal Gravel Road Base Removal Costs		\$29,016
2. Ripping Overburden with Dozer		
Overburden Surface Area (acres)		30
Ripping Unit Cost per WDEQ Guideline No.12, App.I1 (\$/acre)		\$1,048.11
Subtotal Ripping Overburden Costs		\$31,443
3. Topsoil Application		
Assumptions		
Average haul distance (ft)		1,000
Topsoil Surface Area (ft2)		1,320,000
Depth of Topsoil (ft)		0.5
Volume of Topsoil (cy)		24444
Topsoil Unit Cost per WDEQ Guideline No.12, App.C (\$/cy)		\$1.19

2009 - 2010 SURETY BOND ESTIMATE

Cameco Resources Gas Hills Satellite ISR Project
Source Materials License SUA-1548 (TACJ00571)

Part III. Miscellaneous Reclamation

Subtotal Topsoil Application Costs	\$29,016
4. Discing/Seeding	
Surface Area (acres)	30
Discing/Seeding Unit Cost (\$/acre) ¹	\$500
Subtotal Discing/Seeding Costs	\$15,000
5. Culvert Removal	
Total # of culverts	12
Culvert Removal Cost per WDEQ Guideline No.12, App.J (\$/each)	\$123.35
Fill Removal/Drainage Reestablishment (\$/each)	\$1,000
Subtotal Culvert Removal Costs	\$13,480
Subtotal Carol Shop Road Reclamation Costs	\$117,955
C. AML Road Reclamation	
Assumptions	
Surface grade: Level ground	
Average haul distance (ft)	1,000
Length of road (miles)	4.3
Average road width (ft)	66.0
Total Acreage of road	34.4
1. Gravel Road Base Removal	
Gravel Road Base Width (ft)	66
Average Road Base Depth (ft)	0.5
Volume of Road Base (cy)	27,749
Removal Unit Cost per WDEQ Guideline No.12, App.C (\$/cy)	\$1.19
Subtotal Gravel Road Base Removal Costs	\$32,938
2. Other reclamation areas associated with the road	
Topsoil areas (size in acres)	2.4
Turnaround Area (size in acres)	0.9
Total Acreage of other reclamation areas	3.3
3. Ripping Overburden with Dozer	
Overburden Surface Area (acres)	38
Ripping Unit Cost per WDEQ Guideline No.12, App.I1 (\$/acre)	\$1,048.11
Subtotal Ripping Overburden Costs	\$39,524
4. Topsoil Application	
Assumptions	
Average haul distance (ft)	1000
Topsoil Surface Area (ft ²)	1,642,648
Depth of Topsoil (ft)	0.5
Volume of Topsoil (cy)	30,419
Topsoil Unit Cost per WDEQ Guideline No.12, App.C (\$/cy)	\$1.19

2009 - 2010 SURETY BOND ESTIMATE

Cameco Resources Gas Hills Satellite ISR Project
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Part III. Miscellaneous Reclamation

Subtotal Topsoil Application Costs	\$36,108
5. Discing/Seeding	
Surface Area (acres)	38
Discing/Seeding Unit Cost (\$/acre)	\$500
Subtotal Discing/Seeding Costs	\$18,855
6. Culvert Removal	
Total # of culverts	0
Culvert Removal Cost per WDEQ Guideline No.12, App.J (\$/each)	
Fill Removal/Drainage Reestablishment (\$/each)	
Subtotal Culvert Removal Costs	
Subtotal AML Road Reclamation Costs	\$127,426
D. Reclamation of Water Supply Well Fed No. 32-2 (GHWW 1)	Fed No. 32-2
Assumptions	
Surface grade: Level ground	
Average haul distance (ft)	
1. Well Site Area	
Surface area of well site (ft2)	21,716
A. Ripping Overburden with Dozer	
Overburden Surface Area (acres)	0.5
Ripping Unit Cost per WDEQ Guideline No.12, App.11 (\$/acre)	\$1,048.11
Subtotal Ripping Overburden Costs	\$524
B. Topsoil Application	
Topsoil Surface Area (ft2)	21,716
Depth of Topsoil (ft)	0.5
Volume of Topsoil (cy)	402
Topsoil Unit Cost per WDEQ Guideline No.12, App.C (\$/cy)	\$1.19
Subtotal Topsoil Application Costs	\$477
C. Discing/Seeding	
Surface Area (acres)	0.5
Discing/Seeding Unit Cost (\$/acre)	\$500
Subtotal Discing/Seeding Costs	\$250
Subtotal Well Site Reclamation Costs	\$1,251
2. Access Road	
Length of road (ft)	1,925
Average road width (ft)	20
Surface area of road (ft2)	38,500
A. Gravel Road Base Removal	
Average Depth of Road Base (ft)	0.33
Volume of Road Base (cy)	471

2009 - 2010 SURETY BOND ESTIMATE

Cameco Resources Gas Hills Satellite ISR Project
Source Materials License SUA-1548 (TACJ00571)

Part III. Miscellaneous Reclamation

Removal Unit Cost per WDEQ Guideline No.12, App.C (\$/cy)	\$1.03
Subtotal Gravel Removal Costs	\$484
B. Ripping Overburden with Dozer	
Overburden Surface Area (acres)	0.88
Ripping Unit Cost per WDEQ Guideline No.12, App.11 (\$/acre)	\$1,048.11
Subtotal Ripping Overburden Costs	\$922
C. Topsoil Application	
Depth of Topsoil (ft)	0.67
Volume of Topsoil (cy)	955
Topsoil Unit Cost per WDEQ Guideline No.12, App.C (\$/cy)	\$1.19
Subtotal Topsoil Application Costs	\$1,134
D. Discing/Seeding	
Surface Area (acres)	0.88
Discing/Seeding Unit Cost (\$/acre)	\$500
Subtotal Discing/Seeding Costs	\$440
Subtotal Access Road Reclamation Costs	\$2,980
Subtotal Fed No. 32-2 Water Well Reclamation Costs	\$4,231
E. Demolition and Removal of Surface Water Monitoring Stations	
Total # of surface water monitoring stations	3
Demolition/Removal Unit Cost per WDEQ Guideline No.12, App.N (\$/station)	\$2,378.08
Subtotal Surface Water Station Demolition and Removal Costs	\$7,134
TOTAL MISCELLANEOUS RECLAMATION COSTS	\$293,300

¹: Disc and Seeding Costs from actual AML Reclamation