



CAMECO RESOURCES  
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May 26, 2009

Mr. Lowell Spackman, District I Supervisor  
Land Quality Division  
Wyoming Department of Environmental Quality  
122 W. 25<sup>th</sup> Street  
Cheyenne, WY 82002

RE: Highland Uranium Project, Permit to Mine No. 603, Excursion at Monitor Well IM-8

Dear Mr. Spackman:

In accordance with NRC License Condition No. 11.5 and Section 8.4 of the Operations Plan for the Highland Uranium Project, Power Resources, Inc. d/b/a/ Cameco Resources (CR) is providing written notification that Monitor Well IM-8 monitoring results showed it to be on excursion status on May 21, 2009. Ms. Pam Rothwell from WDEQ/LQD and Mr. Doug Mandeville from the NRC were notified by telephone on May 22, 2009.

Analytical results of May 21, 2009 for the routine sample taken on May 20, 2009 indicated an exceedance in two of the three Upper Control Limits (UCLs). CR collected a confirmation sample from the well on May 21, 2009 and analyzed it with a quality assurance duplicate on May 22, 2009. Results of the laboratory analyses confirmed the well to be on excursion as shown below.

Sample Date	Chloride (mg/L)	Alkalinity (mg/L CaCO <sub>3</sub> )	Conductivity (μMhos/cm)
	UCL 17	UCL 211	UCL 928
5/21/09	25	231	833
5/20/09	26	224	807

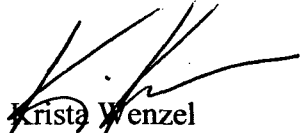
Monitor Well IM-8 is located in Mine Unit-I and depicted on the attached map. The excursion at Well IM-8 has been added to CR's site status map and included in the annual report.

The well will be sampled weekly to monitor UCLs. The operation of injection and production pumping rates has been optimized to balance flows in the well field. Wells in the vicinity of the excursion that have been shut off are depicted in blue on the attached map. CR continues to examine the balance and flows to further develop the groundwater flow model of the mine unit. Additionally, CR continues to examine the sampling pump rate and duration to assist in

determining potential causes and corrective actions. The model can also be used to simulate optimal pumping and injection rates to prevent excursions.

If you have questions, please contact me at (307) 358-6541, Ext. 462.

Sincerely,



Krista Wenzel  
Manager, Environment, Health and Safety

Attachment: Map

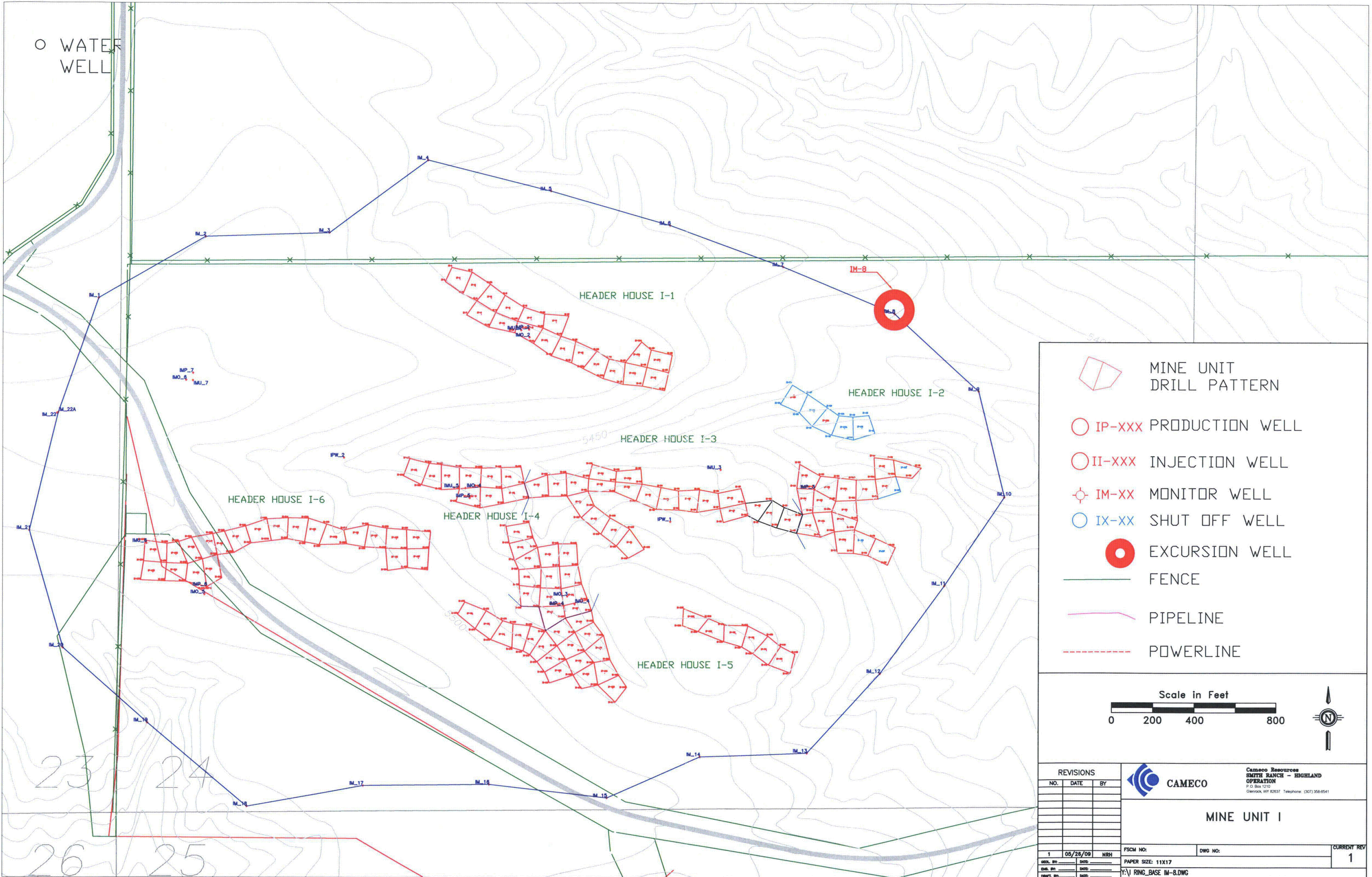
cc: T. Cannon  
T. Hewitt

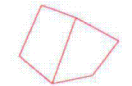
S. Bakken  
D. Mandeville, USNRC (2 copies)

B. Johnson


File HUP 4.6.4.1









MINE UNIT  
DRILL PATTERN




IP-XXX PRODUCTION WELL




II-XXX INJECTION WELL




IM-XX MONITOR WELL




IX-XX SHUT OFF WELL




EXCURSION WELL



FENCE




PIPELINE

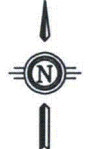


POWERLINE


Scale in Feet



0 200 400 800



REVISIONS		
NO.	DATE	BY



**CAMECO**

Cameco Resources  
SMITH RANCH - HIGHLAND  
OPERATION  
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**MINE UNIT I**

1	05/25/09	NRH	FSCM NO:	DWG NO:	CURRENT REV
					1

PAPER SIZE: 11X17  
Y:\I RING\_BASE IM-8.DWG