

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

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July 22, 2009

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

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

Dear Mr. Spackman:

On May 22, 2009 Power Resources, Inc. d/b/a/ Cameco Resources (CR) provided notification that Monitor Well IM-8 was on excursion status. CR is herein submitting an update report on this well. As reported in June the excursion had been controlled and a Guideline 8 sample was collected. The analysis report is pending. Weekly sampling has been maintained. As of the sample taken July 21, 2009, this well is off excursion.

The excursion was controlled until July when UCLs exceeded excursion status levels for two weeks. Results of the laboratory analyses of the well are shown in the following table. As discussed with Ms. Pam Rothwell and Mr. Steve Ingle on May 8, 2009, a longterm solution was implemented to better control all of the Mine Unit I Field. Trending analysis continues and additional sources have been contracted to continue to rebalance this wellfield.

Sample Date	Chloride (mg/L)	Alkalinity (mg/L CaCO ₃)	Conductivity (µMhos/cm)
	UCL 17	UCL 211	UCL 928
7/21/2009	20	183	784
7/14/2009	24	220	816
7/7/2009	21	214	794
6/30/2009	20	211	749
6/23/2009	19	211	780
6/16/2009	16	207	790
6/10/2009	14	196	740
6/2/2009	19	219	783
5/27/2009	17	213	814
5/21/2009	25	231	833

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

Sincerely,

Kriste Wenzel

Manager, Environment, Health and Safety

cc: T. Cannon T. Hewitt S. Bakken M. Bryson B. Johnson File HUP 4.6.4.1 D. Mandeville, USNRC (2 copies)