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August 21, 2009

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Mr. Douglas Mandeville  
U.S. Nuclear Regulatory Commission  
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Rockville, MD 20852-27381

**RE:** Response to Request for Additional Information – June 11, 2009 Telephone Call,  
Surety Estimate for Ruth and North Butte Satellite Facilities, Source Materials License  
SUA-1548 (TACS J00580 & J00581)

Dear Mr. Mandeville:

Power Resources, Inc d/b/a Cameco Resources (CR) is herein responding to NRC comments provided during a June 11, 2009 telephone discussion regarding the above-referenced surety estimates. That discussion summarized the NRC letter dated April 8, 2009 requesting additional information. As discussed in that call, these comments provide additional information to CR's May 15, 2009 written responses.

NRC Comment (RE: April 8, 2009 Letter): "LC 9.5 requires that the surety estimates for Ruth and North Butte maintain at least a 15 percent contingency. The Ruth and North Butte surety estimates do not appear to include a contingency cost. Please revise the estimates accordingly."

CR Response: A total contingency of 25 percent was included in both the Ruth and North Butte surety estimates. The 25 percent contingency was comprised of (1) a line item contingency of 15 percent for "Project Management and Miscellaneous Costs" and (2) a line item contingency of 10 percent for "Contractor Profit, Mobilization, and Overhead Costs" added to the reclamation estimate subtotals for both Ruth and North Butte. The contingency line items are the two rows shown just above the Total Calculated Surety on the 2009 Surety Estimate table, Total Decommissioning and Reclamation Cost Estimate, page 1 (of 4).

NRC Comment (RE: April 8, 2009 Letter): "For the North Butte surety estimate, there appears to be a discrepancy between the number of wells identified in well plugging and abandonment (104 wells, see page 10 of ADAMS document ML090430282), Figure 10.5 of the license amendment application (141 wells, 32 are outside the permit boundary, see ADAMS document ML061740515), and the Wyoming State Engineer's Office database

(139 wells). Please justify the number used in the surety estimate, or use the greatest number of wells as a conservative estimate of the total number of wells to be plugged.”

CR Response: The CR estimate of 104 wells is based on a March 2005 visual field survey conducted by Hydro-Engineering<sup>1</sup> (for Power Resources, Inc.). The 104 well estimate includes those monitor wells (a) reportedly located within the North Butte WDEQ-LQD Permit to Mine boundary / NRC License Area, and (b) visually confirmed during the 2005 field survey. The inventory conservatively includes 21 wells visually confirmed in the field within the permit boundary but not found on record with the WSEO.

Wells were located in the survey visually with the aid of historical maps and State Plane coordinates; new coordinates were recorded using GPS for those wells found in the field but not previously listed (see Table 1 of Hydro-Engineering report). Most wells were constructed with PVC casing that protrudes above ground surface; casing material is noted in the Comments column of report Table 1.

The resulting 104 well estimate is consistent with the detail shown in Figure 10.5; however, it may be useful to clarify a few points regarding the figure. First, the NRC License Area is shown by the innermost, wide blue dashed line. The outer, thinner blue dashed line (“adjacent area boundary”) should not be confused with the License Area. Second, wells that are in the WSEO database but were not visually confirmed in the field were listed but not illustrated on the figure, nor were they counted towards the total estimate. Finally, the 104 well inventory estimate includes only monitor or water wells associated with proposed uranium ISR mining. Existing or abandoned oil/gas or coal-bed methane wells or surface water impoundments were not counted, although some are illustrated on Figure 10.5.

CR believes that the field survey provides the most reliable information regarding currently existing wells. There may be some inconsistencies in the WSEO database in that some older wells were never permitted with the WSEO, some permitted wells may not have been subsequently developed, and abandonment reports may not have been submitted to the WSEO at the appropriate time.

Reclamation of monitor wells sited outside of the License Area will be covered under a separate LQD Drilling Notification reclamation surety bond. CR will be reviewing the current surface and mineral ownership adjacent to the Permit to Mine boundary to confirm the remaining monitor/water wells for which CR is responsible.

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<sup>1</sup> Hydro-Engineering, LLC, April 2005: *North Butte Well Inventory for Power Resources, Inc.*, IN: Power Resources, Inc., March 2006: *North Butte ISR Project Supportive Information*, Volume I, Section 10, Table 1; and Volume II Maps, Figure 10.5.

If you have further questions or comments concerning the Ruth or North Butte surety estimates, please contact me at 307-358-6541, Ext. 429 or Miriam Whatley at 307-358-6541, Ext. 465.

Sincerely,



Wayne Anderson  
Manager, Environment, Health and Safety

cc:    S. Bakken    J. Lawlor    J. McCarthy    K. Siebken    K. Wenzel  
      M. Whatley    File RU4.6    File NB4.6