



CAMECO RESOURCES
*Smith Ranch-Highland
Operation*
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August 31, 2009

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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:

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 August 26, 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. The leak was detected at approximately 4:30 am on August 26, 2009 by a Wellfield Operator. Approximately 1,500 gallons were released from Well No. KI-10 in Mine Unit K. The well is located in the NW NW of Section 30, T.36N., R.73W, Converse County, Wyoming. A field map is attached. Soil samples were collected August 27, 2009 and submitted for analysis. A gamma survey of the release area was conducted using a MicroR meter. Gamma emissions from the impacted soil resulted in 14 to 17 microR/hr or effectively background. The reading at the wellhead was 36 microR/hr, but may have been influenced as a result of salt build up in the wellhead itself. A solution sample was collected and resulting analysis indicated 1.1 ppm U₃O₈. The solution did not enter or threaten the Waters of the State. The fluid is not considered hazardous material under RCRA and is not reportable under SARA.

An Apparent Cause Investigation was performed and the cause was attributed to the failure of a brass pipe nipple at the wellhead which had corroded from the inside. During recent well repairs, corrosion had been noted in the brass nipple fittings, and the decision was made to replace these brass nipple fittings with stainless steel nipple fittings. Replacement of brass nipple fittings began approximately 6 months ago and is still in progress. As a result of this spill a wellfield operator has been assigned to inspect all wellheads in the Mine Unit K to expedite and prioritize replacement of brass nipple fittings.

The Spill Committee will meet to discuss this spill and corrective actions. CR's Spill Committee meets 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.

Please call me at (307) 358-6541 ext. 429 if you have questions.

Sincerely,



Wayne Anderson
Manager, Environment, Health and Safety

Attachment: Map

cc: T. Cannon M. Bryson S. Bakken K. Siebken
S. Miller B. Kluchewski File SR 4.3.3.1 File SR 4.6.4.4
File SR 4.6.4.1
Doug Mandeville – NRC Project Manager (2-copies)
Joe Hunter – Water Quality Division

