

CROW BUTTE RESOURCES, INC.



86 Crow Butte Road
P.O. Box 169
Crawford, Nebraska 69339-0169

October 19, 2009

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington D.C. 20555-0001

Subject: Reply to a Notice of Violation
Inspection Report 040-08943/09-001
Source Materials License SUA-1534
Docket Number 040-08943

Dear Sir / Madam:

Please find below Crow Butte Resources, Inc. d/b/a Cameco Resources (CR) Crow Butte Operation (CBO) reply to the Notice of Violations issued by the Nuclear Regulatory Commission on September 24, 2009. This response is being provided in accordance with 10 CFR 2.201.

Violation A

10 CFR 40.42 (h)(1) requires, in part, that licensees shall complete decommissioning of outdoor areas as soon as practicable but no later than 24 months following the initiation of decommissioning.

10 CFR 40.42 (i) states, in part, that the Commission may approve a request for an alternate schedule for completion of decommissioning outdoor areas, if the Commission determines that the alternative is warranted.

Contrary to the above, the licensee failed to request an alternate decommissioning schedule for restoration of Mine Units 2, 3, 4, and 5, in which lixiviant injections ceased on December 5, 1995, March 24, 1999, March 24, 2003, and July 9, 2007 respectively, and the Mine Units were not decommissioned within 24 months.

1. Reason for the violation:

The size of the mine units, flow and piping capacity of the restoration circuit, deepwell disposal capacity, and the need to maintain a hydrologic balance between the mining and restoration units, makes it technically infeasible to restore each mine unit in a 24 month period. Further, CBO failed to recognize that the requirements of 10 CFR 40.42 (h)(1) applied to the decommissioning (groundwater restoration) of wellfields at in-situ leach (ISL) facilities and failed to request an alternate decommission schedule from the Commission.

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2. The corrective steps that have been taken and the results achieved:

On July 24, 2009, CBO submitted to the NRC Deputy Director a request for an alternate decommissioning (groundwater restoration) schedule for Mine Units 2, 3, 4, and 5. By letter dated August 20, 2009 the request was approved by the Commission.

3. The corrective steps that will be taken to avoid further violations:

As noted by the Commission in the Technical Evaluation Report, Request for Alternative Decommissioning (Groundwater Restoration) Schedule dated August 5, 2009, CBO has continued to pursue efficiencies in groundwater restoration of Mine Units 2 through 5. These efficiencies include increased ion exchange (IX) and reverse osmosis (RO) treatment capacities, enhanced groundwater restoration modeling and sequencing of mine units, and a bioremediation field study.

In addition, a review of the decommissioning schedule has been added to the Annual Summary of Changes list that is submitted to the NRC by January 28 of each year. If planned decommissioning (groundwater restoration) activities are not consistent with the decommissioning schedule, an updated schedule with supporting information will be submitted to the Commission for approval per 10 CFR 40.42.

4. The date when full compliance will be achieved:

Full compliance was achieved on August 20, 2009. Continued compliance will be reviewed annually.

Violation B

49 CFR 172.702 requires that each hazmat employer shall ensure that each hazmat employee is trained and tested, and that no hazmat employee performs any function subject to the requirements of 49 CFR Parts 171-177 unless trained, in accordance with Subpart H of 49 CFR Part 172. The terms hazmat employer and hazmat employee are defined in 49 CFR 171.8.

Contrary to the above, during the period between July 18, 2008, and July 14, 2009, the licensee did not provide training for four hazmat employees as required by Subpart H to 49 CFR Part 172, and licensee otherwise meets the definition of hazmat employer in 49 CFR 171.8.

1. Reason for the violation:

CBO failed to recognize that four employees involved with the hazmat shipping papers were subject to the requirements of 49 CFR Parts 171-177.



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2. The corrective steps that have been taken and the results achieved:

EHSMS Volume VII, *Training Manual*, Chapter 5, Hazardous Materials Transportation Training was reviewed and revised to be compliant with 49 CFR 172.702, 49 CFR Parts 171-177 and Subpart H of 49 CFR Part 172. All employees fitting the definition of a Hazmat Employee were trained and tested on September 24 and 25, 2009.

3. The corrective steps that will be taken to avoid further violations:

During the initial 90 days of assignment to a specific hazmat-related task the employee will receive hazmat training. During the initial 90 days following assignment, the employee may perform hazmat related functions under the direct supervision of a properly trained employee. All employee hazmat training records will be reviewed annually for compliance with Subpart H of 49 CFR, Part 172.

4. The date when full compliance will be achieved:

Full compliance was achieved on September 24 and 25, 2009. Continued compliance will be reviewed annually.

If there are any further questions or concerns feel free to contact me at (308) 665-2215 ext. 114.

Sincerely,

A handwritten signature in black ink that reads "Larry Teahon". The signature is written in a cursive, flowing style.

Larry Teahon
Manager of Health, Safety
and Environmental Affairs

cc: United States Nuclear Regulatory Commission
Regional Administrator, Region IV
Division of Materials Safety
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