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December 16, 2009

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

Subject: Reply to a Notice of Violation
Inspection Report 040-08964/09-002
Source Materials License SUA-1548, Docket Number 40-8964

Dear Sir / Madam:

Please find below Power Resources, Inc. d/b/a Cameco Resources (CR's) reply to the Notice of Violation issued by the Nuclear Regulatory Commission on November 16, 2009. This response is being provided in accordance with 10 CFR 2.201.

Summary of Violation

- 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 complete decommissioning of Mine Units 1 and C within 24 months and failed to request an alternate decommissioning schedule. Specifically, the licensee began decommissioning of Mine Unit 1 during July 2006 and Mine Unit C during May 1999, both of which continue to be decommissioned, and the licensee had not requested an alternate decommissioning schedule until August 13, 2009.

Cameco Resources Response

1. Reason for the violation:

The size of the mine units, flow and piping capacity of the restoration circuit, waste water 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, CR failed to recognize that the requirements of 10 CFR 40.42 (h)(1) applied to the

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