

CAMECO RESOURCES
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December 23, 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 DM-3

Dear Mr. Spackman:

On November 25, 2009 Power Resources, Inc. d/b/a/ Cameco Resources (CR) provided notification that Monitor Well DM-3 was on excursion status with two of the three parameters (chloride and alkalinity) exceeding the approved UCLs which define an excursion. Previous Quarterly Reports and correspondence indicates that this monitoring well is not on a conventional excursion and is due to historical underground workings; however, CR continues to pump well DP-12 in order to balance the wellfield. Weekly sampling will be maintained and a Guideline 8 sample will be collected and submitted to Energy Laboratories for analysis.

If you have questions, please contact Dawn Kolkman at (307) 358-6541, Ext. 435.

Sincerely,

Angelo Kallas

Manager, Environment, Health and Safety

cc: T. Cannon

T. Young

B. Johnson

File HUP 4.6.4.1

T. Hewitt

D. Kolkman

K. Siebken

D. Mandeville, USNRC (2 copies)