



December 23, 2009

Mr. Doug Mandeville  
U.S. Nuclear Regulatory Commission  
11545 Rockville Pike  
Two White Flint North, Mailstop T8F5  
Rockville, MD 20852-2738

**CAMECO RESOURCES**

Corporate Office  
141 Union Blvd.  
Suite 330  
Lakewood, CO  
80228 USA

Tel: (720) 917-0112  
Fax: (720) 917-0188  
[www.cameco.com](http://www.cameco.com)

Re: Ruth ISR Uranium Project  
Docket No. 40-8964, SUA-1548  
2009-2010 Annual Surety Estimate Update

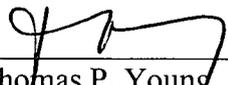
Dear Mr. Mandeville:

License Condition 9.5 of Source Materials License SUA-1548 requires annual surety estimate revisions for the Power Resources Inc. d/b/a Cameco Resources (CR) Ruth ISR Project. Enclosed with this letter are two (2) paper copies of the surety estimate for the Ruth ISR Project.

The current facility status is non-operational with no current development or operational activities planned for the next surety period. The 2009-10 surety update is estimated at \$178,000, which is a decrease of \$3000.00 from the previous estimate. The reason for the decrease in the surety estimate amount is that some of the unit costs in the October 2009 version of WDEQ Guideline No. 12 *Standard Reclamation Performance Bond Format and Cost Calculation Methods* have decreased slightly.

If you have any questions, please contact Scott Bakken at (720) 879-5514.

Sincerely,

  
\_\_\_\_\_  
Thomas P. Young  
Vice President, Operations

TPY/ms

Enclosures: Ruth 2009-2010 Surety Estimate

cc: S. Collings                      A. Kallas                      S. Bakken  
J. Lawlor                              G. Mooney- WDEQ/LQD Sheridan  
Karen Siebken                      File RU4.6.4.1

CAMECO RESOURCES  
RUTH ISR PROJECT  
2009-2010 SURETY ESTIMATE

**TOTAL DECOMMISSIONING AND RECLAMATION COST ESTIMATE**

I. BUILDING DEMOLITION AND DISPOSAL COSTS	\$68,089
II. EVAPORATION POND DECOMMISSIONING COSTS	\$34,567
III. MISC. SURFACE RECLAMATION COSTS	\$8,765
IV. WELL PLUGGING AND ABANDONMENT	\$10,445
V. FINAL STATUS SURVEY REPORT	\$10,000
<b>SUBTOTAL</b>	<b>\$131,866</b>
<b>CONTINGENCY:</b>	
PROJECT MANAGEMENT + MISCELLANEOUS COSTS (25%) <sup>a</sup>	\$32,966
CONTRACTOR PROFIT + OVERHEAD + MOBILIZATION COSTS (10%) <sup>b</sup>	\$13,187
<b>TOTAL RECLAMATION, ROUNDED DOWN</b>	<b>\$178,000</b>

<sup>a</sup> Based on WDEQ-LQD Guideline No. 12 (October 2009), Section II(B)(12)(except b) and (13).

<sup>b</sup> Based on WDEQ-LQD Guideline No. 12 (October 2009), Section II(B)(12)(b).

CAMECO RESOURCES RUTH ISR PROJECT  
2009-2010 SURETY ESTIMATE

I. BUILDING DEMOLITION AND DISPOSAL	Process Building	Warehouse Building	Generator Building
<b>A. Demolition</b>			
<b>1 Equipment</b>			
Equipment remaining on site includes 6 tanks/vessels and injection manifold.			
Subtotal Equipment Dismantling	\$8,000	\$0	\$0
<b>2 Building</b>			
Building Volume (CF)	80,000	6,000	1500
Demolition Unit Cost per WDEQ Guideline 12, App. K (\$/CF)	\$0.244	\$0.244	\$0.244
Subtotal Building Demolition	\$19,520	\$1,464	\$366
<b>3 Concrete Floor</b>			
Concrete Floor Area, SF	4,000	600	150
Demolition Unit Cost per WDEQ Guideline 12, App. K (\$/SF)	\$4.80	\$4.80	\$4.80
Subtotal Concrete Floor Demolition	\$19,200	\$2,880	\$720
<b>4 Concrete Footing</b>			
Concrete Footing Length (ft)	280	0	0
Demolition Unit Cost per WDEQ Guideline 12, App. K (\$/lin.ft)	\$17.44	\$17.44	\$17.44
Subtotal Concrete Footing Demolition	\$4,883	\$0	\$0
Subtotal Demolition per Building	\$51,603	\$4,344	\$1,086
<b>Total Demolition</b>			<b>\$57,033</b>
<b>B. Disposal</b>			
<b>1 Equipment</b>			
Assume equipment volume of 15 CY			
Assume <sup>a</sup> : Per Byproduct Material Disposal Agreement between PRI and Pathfinder, first 185 CY disposed at Shirley Basin at no cost			
Disposal Unit Cost (\$/ton)	\$0	\$0	\$0
QTY. Trips	2	0	0
Transportation Unit Cost (\$/trip)	\$1,000	\$1,000	\$1,000
Subtotal Equipment Disposal	\$2,000	\$0	\$0
<b>2 Buildings On-Site</b>			
Assume Thickness of building material (ft)	0.75	0.5	0.5
Building Length (ft)	100	30	15
Building Width (ft)	40	20	10
Building Height (ft)	20	10	10
Volume of Building Materials (CY)	267	30	12
Volume for Disposal (assume 25% swell factor) (CY)	334	38	15
Disposal Unit Cost per WDEQ Guideline 12, App. K (\$/CY)	\$8.06	\$8.06	\$8.06
Subtotal Building Disposal	\$2,692	\$306	\$121
<b>3 Concrete Floor</b>			
Assume: Per Byproduct Material Disposal Agreement between PRI and Pathfinder, first 185 CY disposed at Shirley Basin at no cost			
Area of Concrete Floor, SF	4,000	600	150
Average Thickness of Concrete Floor (ft)	0.5	0.5	0.5
Volume of Concrete Floor (CY)	74	11	3
<b>a. On-Site Disposal</b>			
Percentage (%) <sup>b</sup>	90%	100%	100%
Volume for Disposal (CY)	66.6	11	3
Disposal Unit Cost per WDEQ Guideline 12, App. K (\$/CY)	\$7.01	\$7.01	\$7.01
Subtotal On-Site Disposal	\$467	\$77	\$21

CAMECO RESOURCES RUTH ISR PROJECT  
2009-2010 SURETY ESTIMATE

I. BUILDING DEMOLITION AND DISPOSAL	Process Building	Warehouse Building	Generator Building
b. NRC-Licensed Facility			
Percentage (%) <sup>b</sup>	10%	0%	0%
Disposal Volume (CY)	7.4	0	0
Assume 50% volume swell factor (CY)	11	0	0
QTY. Trips	1	0	0
Transportation Unit Cost (\$/trip)	\$1,000	\$0	\$0
Disposal Unit Cost (\$/CY)	\$0	\$0	\$0
Subtotal NRC-Licensed Facility Disposal	\$1,000	\$0	\$0
Subtotal Concrete Floor Disposal	\$1,467	\$77	\$21
<b>4 Concrete Footing On-Site</b>			
Length Concrete Footing (ft)	280	0	0
Average Thickness Concrete Footing (ft)	4	4	4
Average Width Concrete Footing (ft)	1	1	1
Concrete Footing Volume (CY)	41	0	0
Disposal Unit Cost per WDEQ Guideline 12, App. K (\$/CY)	\$7.01	\$7.01	\$7.01
Subtotal Concrete Footing Disposal	\$287	\$0	\$0
Subtotal Disposal per Building	\$6,446	\$383	\$142
<b>Total Disposal</b>			<b>\$6,971</b>
<b>C. Radiation Surveys and Soil Sampling</b>			
Assume: environmental and personnel monitoring (TLD) not required, based on NRC regulations and ambient levels of radiation on-site.			
<b>1 Equipment (Alpha/Gamma Surveys and Smear Samples)</b>			
QTY. Weeks	2	0	0
Rental Rate (\$/week)	\$250	\$250	\$250
Subtotal Equipment	\$500	\$0	\$0
<b>2 Labor (Surveys and Soil Sampling)</b>			
QTY. Hours	80	0	0
Labor, per Guideline 12 App's. N & O	\$38.56	\$38.56	\$38.56
Subtotal Labor	\$3,085	\$0	\$0
<b>3 Analytical</b>			
QTY. Samples	5	0	0
Ra-226 Analytical (\$/sample)	\$100	\$100	\$100
Subtotal Analytical	\$500	\$0	\$0
<b>Total Radiation Survey + Soil Sampling</b>			<b>\$4,085</b>
SUBTOTAL INDIVIDUAL BLDG. DEMOLITION + DISPOSAL COSTS	\$62,134	\$4,727	\$5,313
<b>TOTAL ALL BUILDING DEMOLITION + DISPOSAL COST</b>			<b>\$68,089</b>

Notes:

a - Byproduct Material Disposal Agreement, Contract Date July 24, 2006, Expiration Date July 31, 2009.

b - Based on radiation surveys conducted by Pathfinder Mines Co. during October - November 2001 (see site transfer letter dated November 2, 2001).

CF - cubic feet

CY - cubic yards

ft - feet

in - inches

lin. ft - linear feet

SF - square feet

QTY - quantity

CAMECO RESOURCES RUTH ISR PROJECT  
2009-2010 SURETY ESTIMATE

II. EVAPORATION POND DECOMMISSIONING	Pond No. 1	Pond No. 2
<b>A. By-product Material Removal and Loading</b>		
<b>1 Volume of By-product Material</b>		
Area of Pond Bottom (SF)	22,138	21,947
a. Area with Fill (SF)	2,813	0
Average Fill Thickness (in)	3.5	0
Volume of Fill (CY)	30	0
b. Remaining Area with Pond Residue (SF)	19,325	21,947
Average Pond Residue Thickness (in)	1	0.5
Volume of Pond Residue (CY)	60	34
c. Area of Liner (SF)	22,138	21,947
Thickness of Liner (in)	0.036	0.036
Volume of Liner (CY)	2.5	2.4
Volume of Liner Assuming 25% Void Space (CY)	3	3
d. Area of Contaminated Sump and Drain (SF)	0	1
Length of Sump and Drain (ft)	0	240
Volume of Sump and Drain (CY)	0	9
e. Diameter of Contaminated Soil (ft)	0	10
Contaminated Soil Thickness (in)	0	6
Volume of Contaminated Soil (CY)	0	1
Subtotal Volume By-product Material (CY)	93	47
<b>2 Equipment (Front-End Loader)</b>		
QTY. Hours	40	20
Operating (\$/hr), from Table D-1 Operating Costs and Adjusted Costs WDEQ Guideline 12	\$89	\$89
Subtotal Equipment	\$3,562	\$1,781
<b>3 Labor</b>		
QTY. Hours	40	20
QTY. Laborers	3	3
Labor (\$/hr), fr. WDEQ Guideline 12 App. A	\$38.56	\$38.56
Subtotal Labor	\$4,627	\$2,314
By-product Material Removal and Loading Per Pond	\$8,189	\$4,095
<b>Total By-product Material Removal + Loading</b>		<b>\$12,284</b>
<b>B. Transportation and Disposal</b>		
Total Volume of Byproduct Material (CY)	93	47
<b>1 Transportation</b>		
Volume of Soil per Trip (CY/trip)	30	30
QTY. Trips	3	2
per Trip (\$/trip)	\$1,000	\$1,000
Subtotal Transportation per pond	\$3,000	\$2,000
<b>2 Disposal</b>		
Disposal Unit (\$/CY)	\$0	\$0
Assume: Per By-product Material Disposal Agreement between PRI and Pathfinder, first 185 CY disposed of at Shirley Basin at no cost.		
Subtotal Transportation + Disposal per pond	\$3,000	\$2,000
<b>Total Transportation + Disposal</b>		<b>\$5,000</b>

CAMECO RESOURCES RUTH ISR PROJECT  
2009-2010 SURETY ESTIMATE

II. EVAPORATION POND DECOMMISSIONING	Pond No. 1	Pond No. 2
<b>C. Ripping</b>		
Area (acres)	0.5	0.5
Ripping Unit Cost per WDEQ Guideline 12, App. I1 (\$/acre)	\$902.70	\$902.70
Subtotal Ripping per pond	\$451	\$451
<b>Total Ripping</b>		<b>\$902</b>
<b>D. Backfilling</b>		
Volume of Soil (CY)	5400	5400
Backfilling Unit Cost per WDEQ Guideline 12, App. E (\$/CY)	\$0.221	\$0.221
Assume: Surface grade = 0%; Avg. haul distance = 100 ft.		
Subtotal Backfilling per pond	\$1,193	\$1,193
<b>Total Backfilling</b>		<b>\$2,386</b>
<b>E. Grading</b>		
Area (acres)	1.5	1.5
Rough Grading Unit Cost per WDEQ Guideline 12, App. M (\$/acre)	\$70.43	\$70.43
Final Grading Unit Cost per WDEQ Guideline 12, App. G (\$/acre)	\$58.69	\$58.69
Subtotal Grading per pond	\$194	\$194
<b>Total Grading</b>		<b>\$388</b>
<b>F. Replacement of Topsoil</b>		
Volume of Topsoil (CY)	3756	3756
Application Unit Cost per WDEQ Guideline No.12, App.E (\$/CY)	\$0.715	\$0.715
Assume Surface grade = 0%, Avg. haul distance = 400 ft.		
Subtotal Topsoil Replacement per pond	\$2,686	\$2,686
<b>Total Topsoil Replacement</b>		<b>\$5,372</b>
<b>G. Seeding/Revegetation</b>		
Area (acres)	1.5	1.5
Discing, Seeding, Mulching, \$/acre from Smith Ranch-Highland '08 actual cost	\$685	\$685
Subtotal Seeding/Revegetation per pond	\$1,028	\$1,028
<b>Total Seeding/Revegetation</b>		<b>\$2,055</b>
<b>H. Fence Removal</b>		
Length (ft)	800	800
Fence Removal Unit Cost per WDEQ Guideline 12, App. H (\$/ft)	\$0.37	\$0.37
Subtotal Fence Removal per pond	\$296	\$296
<b>Total Fence Removal</b>		<b>\$592</b>
<b>I. Radiation Surveys and Soil Sampling</b>		
Assume: environmental and personnel monitoring (TLD) not required, based on NRC regulations and ambient levels of radiation on-site.		
<b>1 Equipment (Alpha/Gamma Surveys and Smear Samples)</b>		
QTY. Weeks	1	1
Rental Rate (\$/week)	\$250	\$250
Subtotal Equipment	\$250	\$250
<b>2 Labor (Surveys and Soil Sampling)</b>		
QTY. Hours	40	40
Labor, per WDEQ Guideline 12 App's. N & O	\$38.56	\$38.65
Subtotal Labor	\$1,542	\$1,546

CAMECO RESOURCES RUTH ISR PROJECT  
2009-2010 SURETY ESTIMATE

II. EVAPORATION POND DECOMMISSIONING	Pond No. 1	Pond No. 2
3 Analytical		
QTY. Samples	10	10
Ra-226 Analytical (\$/sample)	\$100	\$100
Subtotal Analytical per pond	\$1,000	\$1,000
Subtotal Radiation Survey + Soil Sampling per pond	\$2,792	\$2,796
<b>Total Radiation Survey + Soil Sampling</b>		<b>\$5,588</b>
SUBTOTAL EVAPORATION POND DECOMMISSIONING COSTS	\$19,829	\$14,739
<b>TOTAL EVAPORATION POND DECOMMISSIONING COST</b>		<b>\$34,567</b>

CAMECO RESOURCES  
RUTH ISR PROJECT  
2009-2010 SURETY ESTIMATE

III. MISC. SURFACE RECLAMATION	Unit Cost	Units	Estimated Quantity	Subtotal
<b>A. Buildings, Roads, and Parking Areas</b>				
1 Gravel Removal	\$0.852	CY	1500	\$1,278
Removal Unit Cost per WDEQ Guideline 12, App. C: assume surface Grade = 0%, avg. haul distance = 500 ft.				
2 Ripping	\$902.70	acre	2	\$1,805
Ripping Unit Cost per WDEQ Guideline 12, App. I1				
3 Topsoil Replacement	\$0.715	CY	2070	\$1,480
Application Unit Cost per WDEQ Guideline No.12, App. E: assume surface grade = 0%, avg. haul distance = 400 ft.				
4 Seeding/Revegetation				
Discing, Seeding, Mulching, \$/acre	\$685	acre	2	\$1,370
from Smith Ranch-Highland '08 actual cost				
Subtotal Seeding/Revegetation				\$1,370
5 Fence Removal	\$0.50	foot	2880	\$1,440
Removal Unit Cost per WDEQ Guideline 12, App. H				
<b>Total Bldgs + Roads + Pkg Area Surface Reclamation</b>				<b>\$7,373</b>
<b>B. R&amp;D Wellfield Area</b>				
1 Replacement of Topsoil	\$0.715	CY	1180	\$844
Application Unit Cost per WDEQ Guideline No.12, App. E: assume surface grade = 0%, avg. haul distance = 350 ft.				
2 Seeding/Revegetation				
Discing, Seeding, Mulching, \$/acre	\$685	acre	0.8	\$548
from Smith Ranch-Highland '08 actual cost				
Subtotal Seeding/Revegetation				\$548
<b>Total R&amp;D Wellfield Area Surface Reclamation</b>				<b>\$1,392</b>
<b>TOTAL MISC. SURFACE RECLAMATION COSTS</b>				<b>\$8,765</b>

CAMECO RESOURCES  
RUTH ISR PROJECT  
2009-2010 SURETY ESTIMATE

**IV. WELL PLUGGING AND ABANDONMENT**

	Unit Cost	Units	Estimated Quantity	Subtotal
<b>A. Well Plugging</b>				
Quantity Wells (based on 12/08 review of WSEO records)	--	wells	3	--
Plug Wells 500' - 1000' (based on WSEO records), assume average well depth 550'	\$6.28	linear foot	1,650	\$10,362
Remove Top Portion Casing	\$15.00	well	3	\$45
Install concrete surface hole plug/cap	\$7.50	hole	3	\$23
<b>Subtotal Plugging Costs</b>				<b>\$10,430</b>
<b>B. Surface Reclamation<sup>a</sup></b>				
Site Smoothing & Re-Seeding	\$5.00	site	3	\$15
<b>TOTAL PLUGGING + RECLAMATION COSTS</b>				<b>\$10,445</b>

Based on WDEQ Guideline 12 (October 2009), Appendix L

<sup>a</sup> Seeding of abandoned well locations to be completed in conjunction with seeding of Exploration Camp and two-track roads.