

**CAMECO RESOURCES  
CROW BUTTE OPERATION**



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

**(308) 665-2215  
(308) 665-2341 – FAX**

May 11, 2010

Michael Linder, Director  
Nebraska Department of Environmental Quality  
P. O. Box 98922  
Lincoln, Nebraska 68509-8922

Dear Mr. Linder:

On May 10, 2010, during routine 5-year Mechanical Integrity Testing (MIT), well number P-4231 in Mine Unit 9, Wellhouse 45 failed the MIT criteria. Using isolation techniques, it has been determined that the failure is the casing joint at the 240-foot level. Jenny Abrahamson, Groundwater Geologist UIC/ME, at Nebraska Department of Environmental Quality (NDEQ), Dave Carlson, of the NDEQ field office in Chadron, and Ron Burrows, NRC Project Manager were notified concerning this well on May 10, 2010.

Based upon a review of the geophysical log for P-4231, the failed casing joint is located near the bottom of the Brule Formation in a section that does not appear to have significant sandy zones. The failed joint is approximately 90 feet above the static water level for the Chadron Formation. Because P-4231 has been operated only as a production well, it is unlikely that the water level has been elevated to this depth. Dave Carlson reviewed the e-log for this well and concurred that the likelihood for contamination was minimal.

The nearest Shallow Monitor (SM) wells to P-4231 are SM9-2 and SM9-3. I have enclosed graphs of the latest results from these Shallow Monitors for your review.

At this time, Crow Butte intends to repair P-4231 by installing a sleeve to cover the failed joint. The well will then be re-MIT'd to ensure that the repair is sufficient. If CBR is unable to repair the well, then it will be abandoned according to approved procedure.

If you have any questions or concerns on this matter, please do not hesitate to call me at (308) 665-2215 Ext 111.

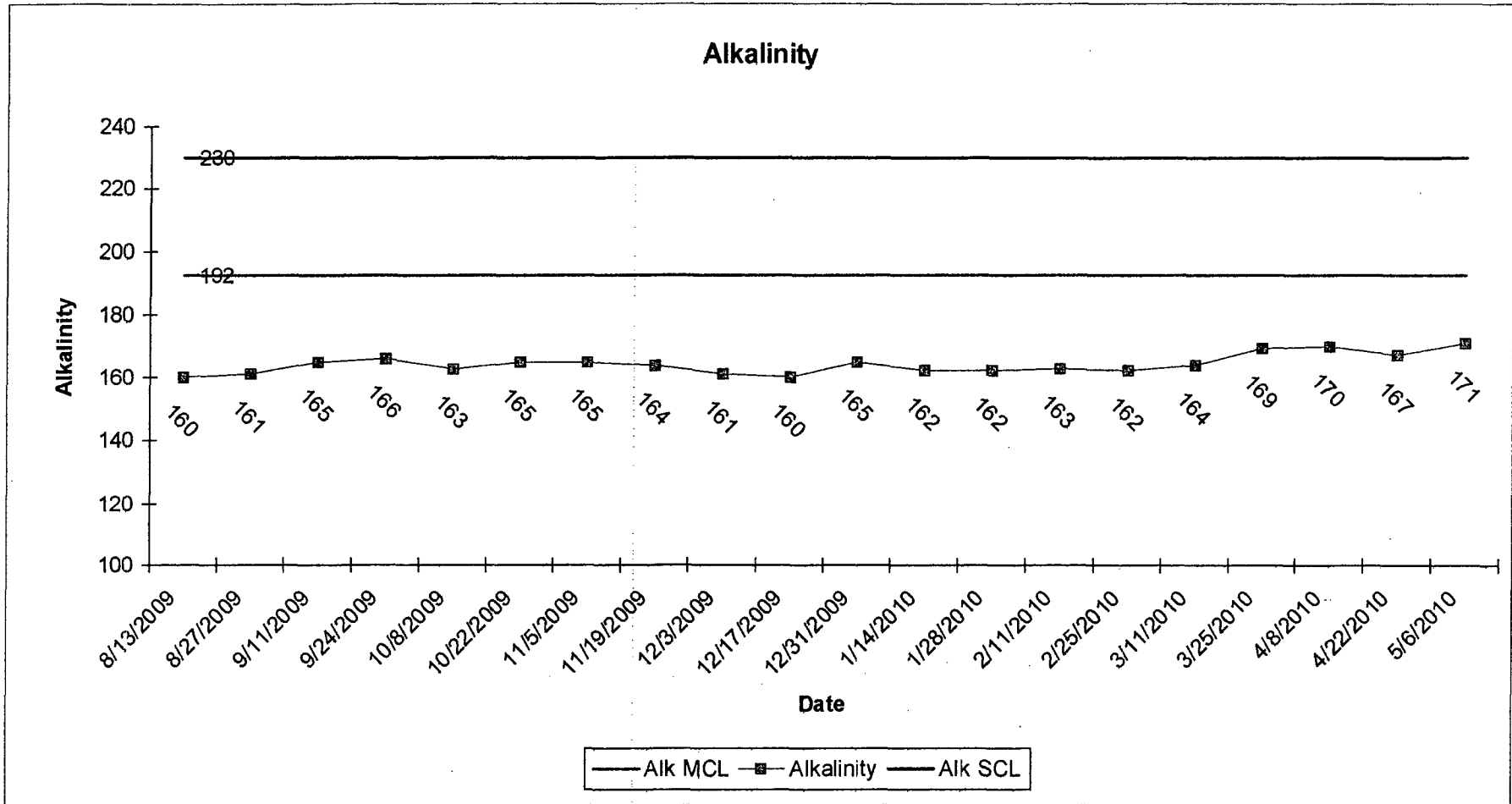
Sincerely,

Jim Stokey  
General Manager

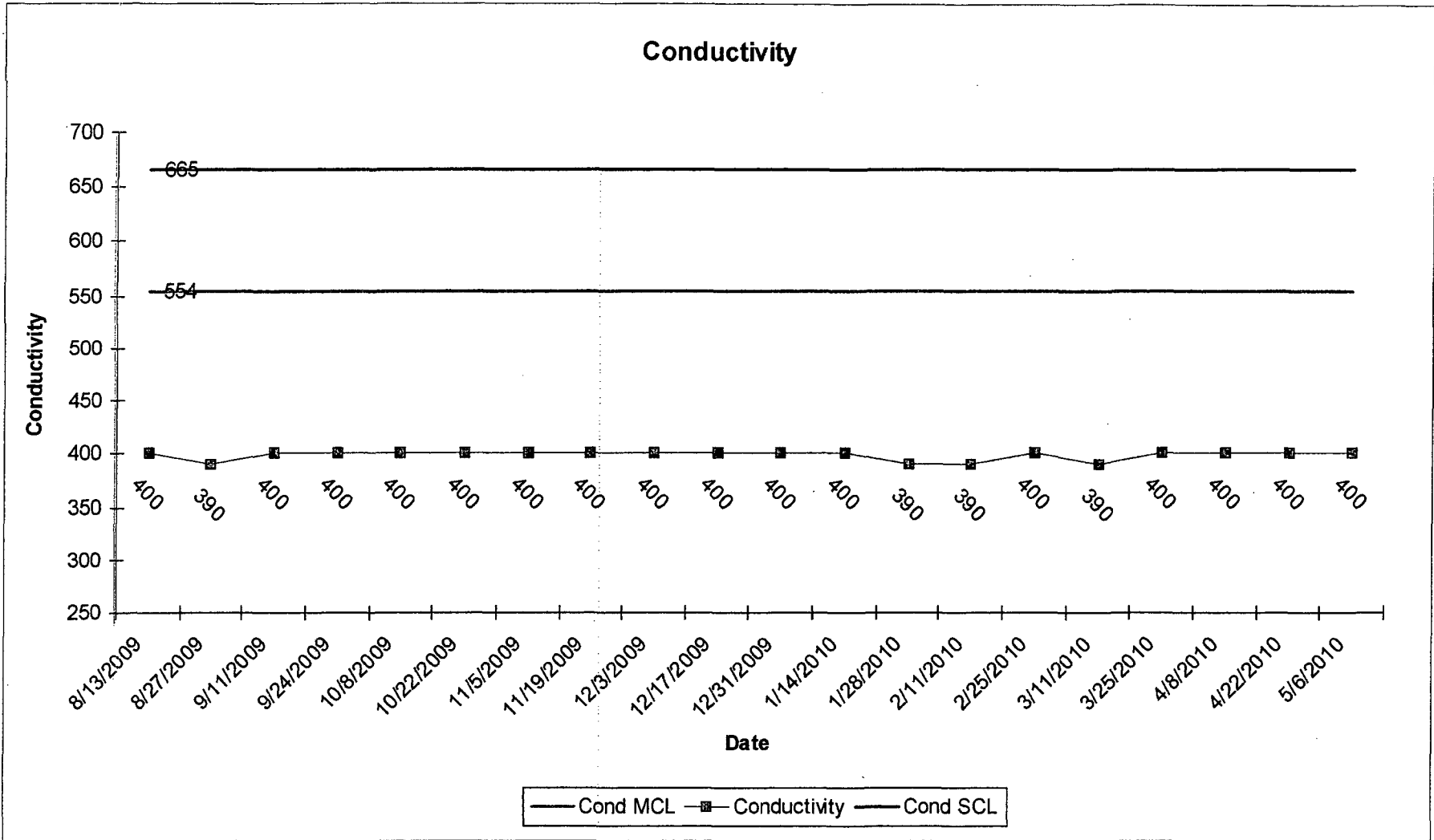
Enclosure

Cc: Dave Carlson, Chadron Office  
Joe Brister, Cheyenne Office  
Ron Burrows, NRC  
CBO File

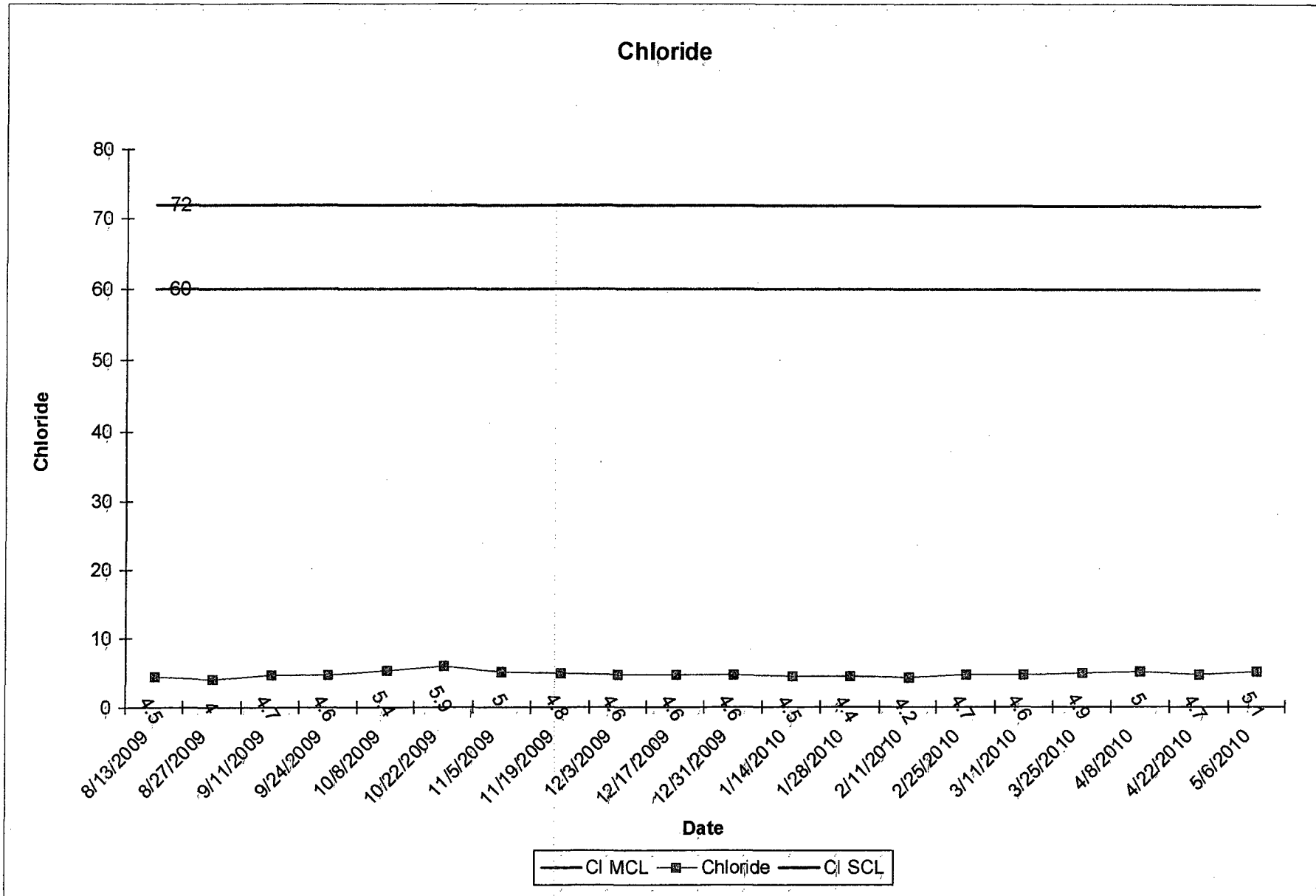
# SM9-2



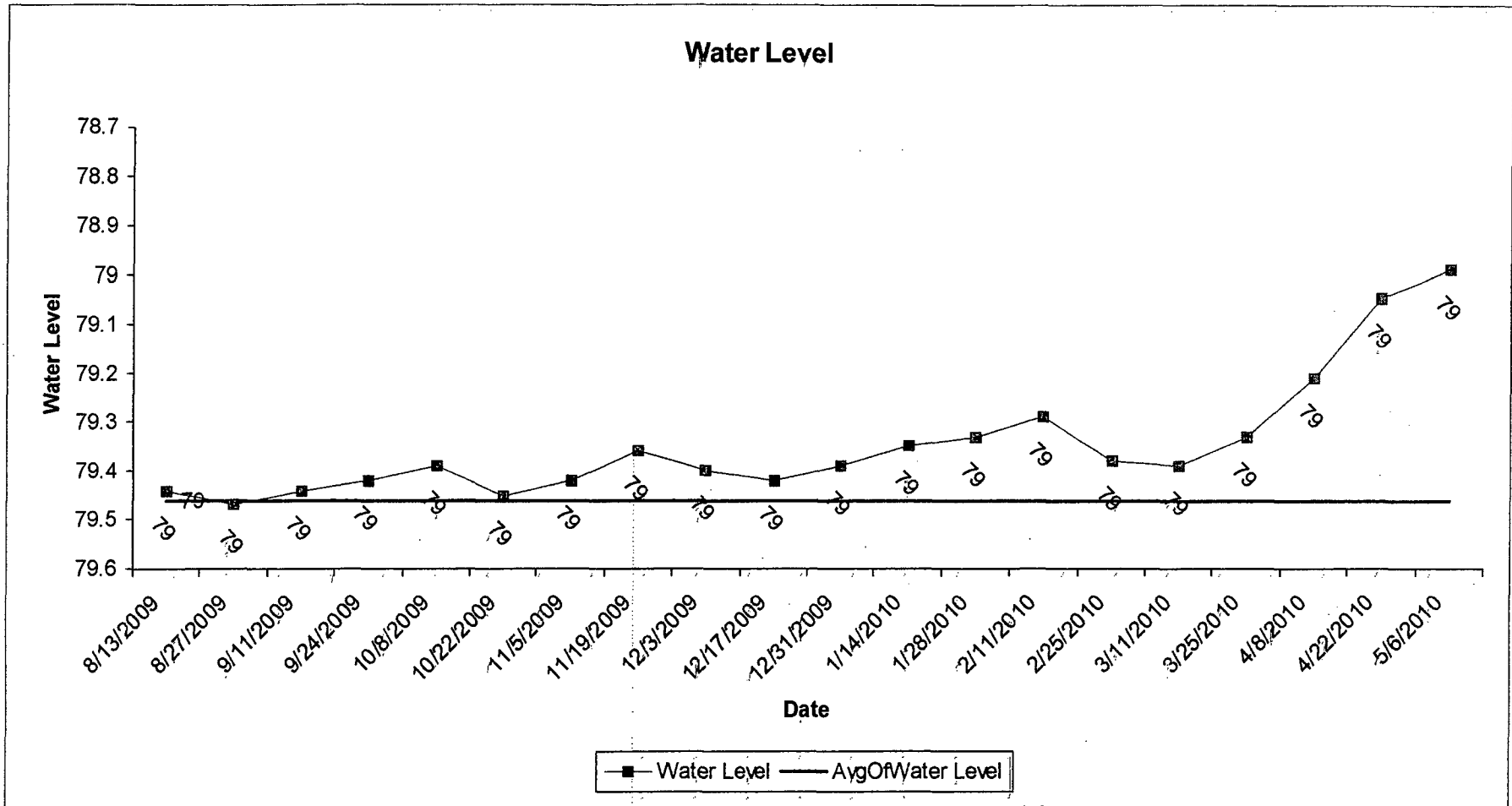
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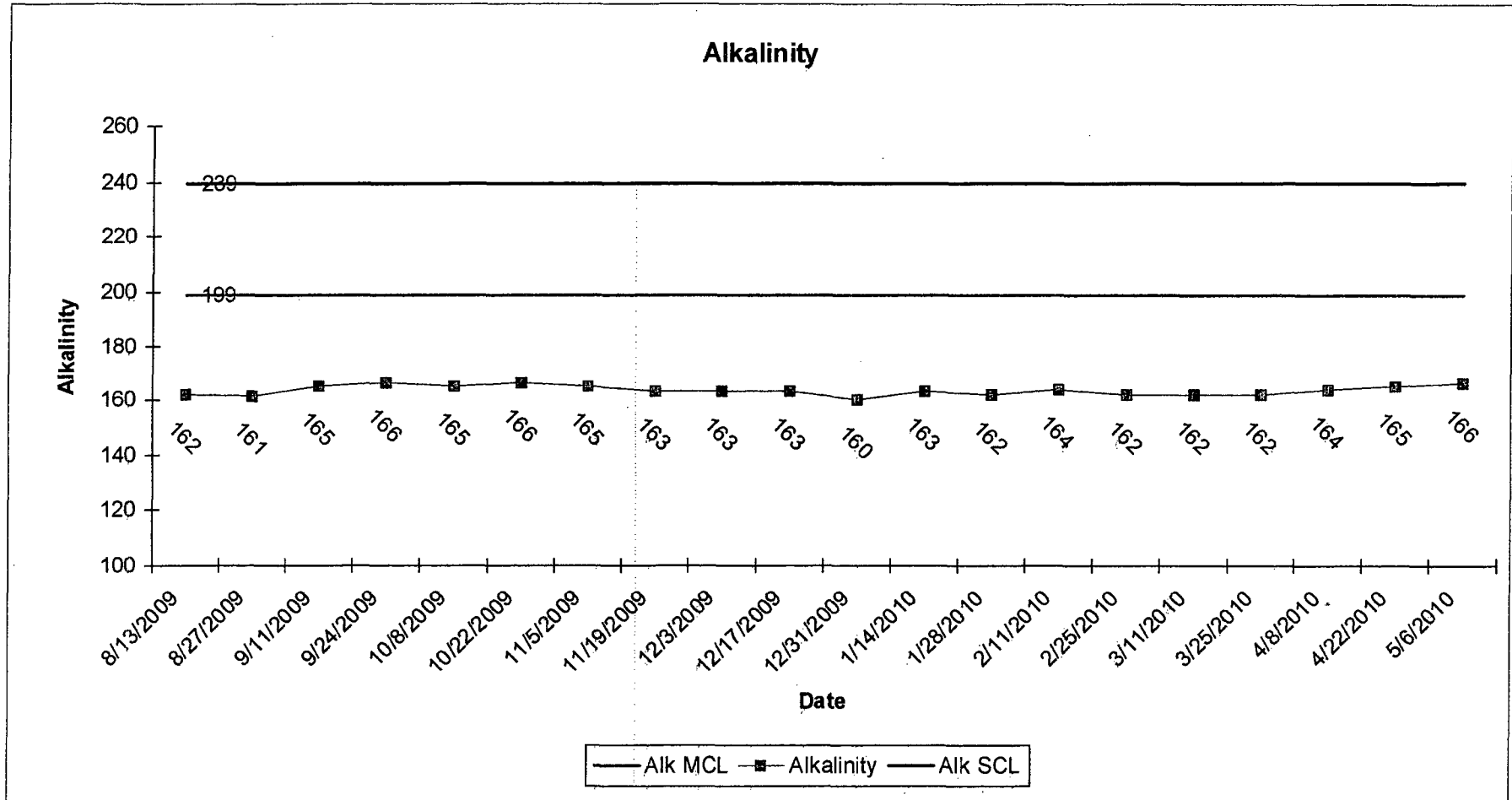
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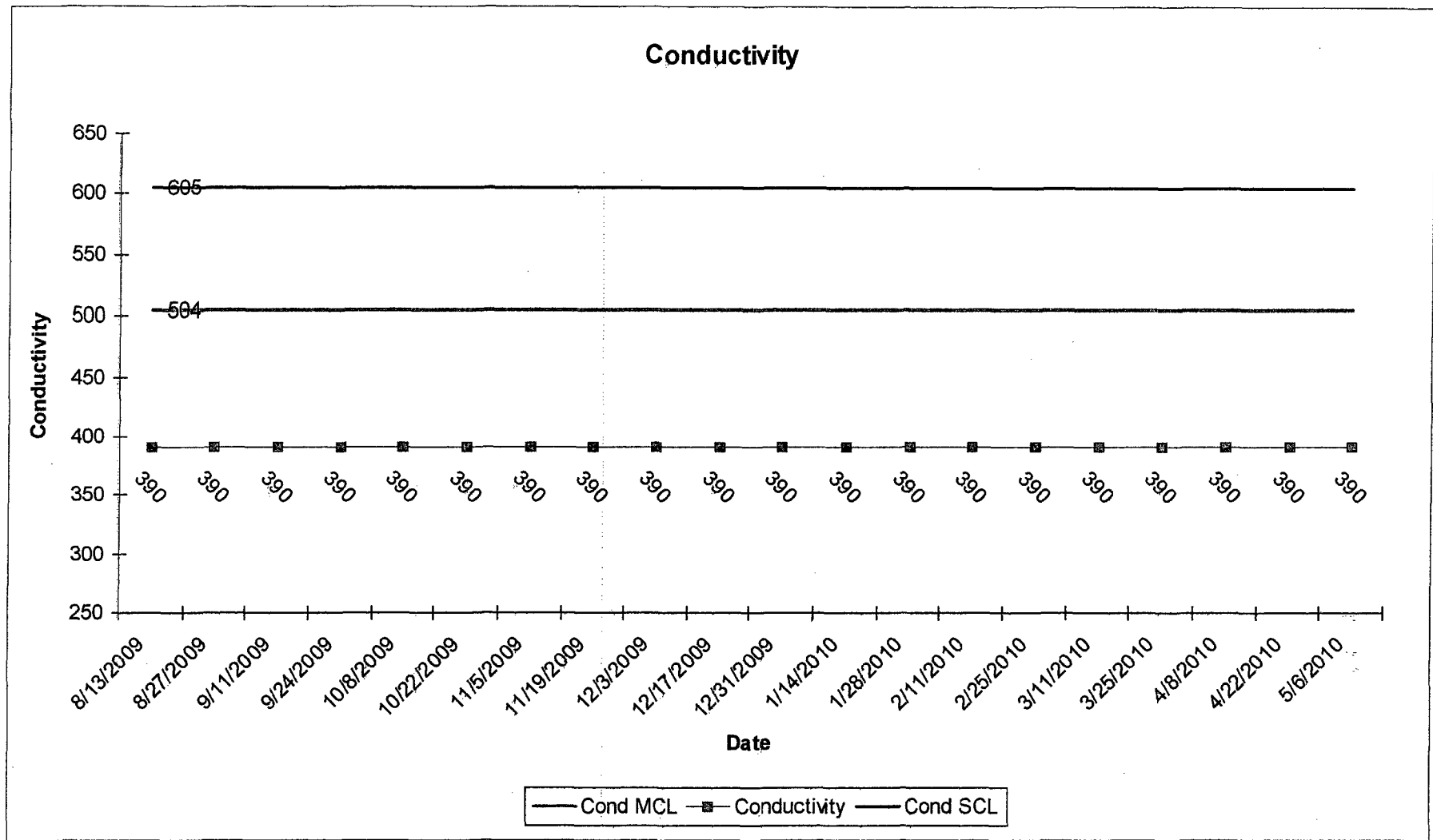
# SM9-2



# SM9-3



# SM9-3



# SM9-3

