Cameco

CAMECO RESOURCES
Smith Ranch-Highland Operation
Mail:
P.O. Box 1210
Glenrock, WY
82637 USA

Tel: (307) 358-6541
Fax: (307) 358-4533
www.cameco.com

June 21, 2010

Nuclear Regulatory Commission
Attn: Document Control Desk
Washington DC, 20555-10001

Re: Reply to Notice of Violation: Inspection Report 040-08964/10-001
Source Materials License SUA-1548, Docket Number 40-8964

Please find below Power Resource's Inc. (d/b/a Cameco Resources (CR)) reply to the Notice of Violation issued by the Nuclear Regulatory Commission (NRC) to Power Resources, Inc. on April 29, 2010. This response is being provided in accordance with 10 CFR 2.201.

Summary of Violation

- "Regulation 10 CFR 20.1902(a) requires that the licensee post each radiation area with a conspicuous sign or signs bearing the radiation symbol and the words "CAUTION, RADIATION AREA".

- Contrary to the above, as of February 24, 2010, the transfer tank T407B, located within the satellite SR-2 building, was found to be a radiation area with a radiation dose rate of approximately 0.06 milliSieverts (6 millirem) in one hour at 30 centimeters from the surface but was not posted with a sign bearing the radiation symbol and the words "CAUTION, RADIATION AREA."

- This is a Severity Level IV violation. (Supplement IV)."

Cameco Resources Response

1. Reason for the violation:

Satellite SR-2 is Cameco Resources newest Satellite facility requiring monitoring. Gamma surveys were performed weekly, although only quarterly surveys were required as per Regulatory Guide 8.30. The weekly surveys obtained from 1/5/09 to 2/23/10 ranged from 100 μR/hr to 3600 μR /hr respectively. Cameco Resources action level for posting a radiation area is 4000 μR/hr. The action level was never exceeded prior to the NRC inspection.

IE07
IV

Because of the continuing movement of mining solution throughout the satellite facilities, sands and silts will settle out of the mining solution and concentrate in the bottoms of tanks, columns and other equipment, gradually increasing radiation levels. Radiation levels will decrease when tanks are cleaned, causing a fluctuation in activity over time. Our weekly surveys did not justify posting of Tank T407B prior to the NRC inspection.

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

On February 24, 2010 within 30 minutes of discovering the transfer tank T407B was indeed a Radiation Area it was posted as such. The purpose of posting a radiation area is to identify and effectively communicate radiological hazards to individuals, allowing them to take the appropriate protective actions.

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

Operating experience has demonstrated the fluctuation of radiation levels in tanks and vessels. Historically, ion exchange columns, waste water, and resin transfer water tanks will become radiation areas over time, but radiation levels may be less than the action level during any given surveying event. To maintain compliance with the regulations and in the spirit of ALARA, Cameco Resources has posted all tanks and vessels that have historically been known to be radiation areas, knowing that the fluctuation in radiation may justify the posting during any given sampling event.

4. The date when full compliance will be achieved:

All historically known "Radiation Areas" were posted by March 5, 2010.

Please contact me at 307-358-6541 ext 474 if you have any questions.

Sincerely,

Angelo Kallas
Safety, Health, Environment and Quality (SHEQ) Manager

AK/af

cc: J. Brister
T. Cannon
SR 4.6.4.1
D. Mandeville, US NRC

US NRC
Attn: Mr. Jack Whitten
Arlington, TX 76011-4125

Cameco

CAMECO RESOURCES
Smith Ranch-Highland Operation
Mail:
P.O. Box 1210
Glenrock, WY
82637 USA

Tel: (307) 358-6541
Fax: (307) 358-4533
www.cameco.com

June 21, 2010

U.S. Nuclear Regulatory Commission Region IV
Attn: Mr. Jack Whitten
612 East Lamar Blvd, Suite 400
Arlington, TX 76011-4125

Re: Reply to Notice of Violation: Inspection Report 040-08964/10-001
Source Materials License SUA-1548, Docket Number 40-8964

Dear Mr. Whitten:

Please find below Power Resource's Inc. (d/b/a Cameco Resources (CR)) reply to the Notice of Violation issued by the Nuclear Regulatory Commission (NRC) to Power Resources, Inc. on April 29, 2010. This response is being provided in accordance with 10 CFR 2.201.

Summary of Violation

- "Regulation 10 CFR 20.1902(a) requires that the licensee post each radiation area with a conspicuous sign or signs bearing the radiation symbol and the words "CAUTION, RADIATION AREA".

- Contrary to the above, as of February 24, 2010, the transfer tank T407B, located within the satellite SR-2 building, was found to be a radiation area with a radiation dose rate of approximately 0.06 milliSieverts (6 millirem) in one hour at 30 centimeters from the surface but was not posted with a sign bearing the radiation symbol and the words "CAUTION, RADIATION AREA."

- This is a Severity Level IV violation. (Supplement IV)."

Cameco Resources Response

1. <u>Reason for the violation:</u>

Satellite SR-2 is Cameco Resources newest Satellite facility requiring monitoring. Gamma surveys were performed weekly, although only quarterly surveys were required as per

Regulatory Guide 8.30. The weekly surveys obtained from 1/5/09 to 2/23/10 ranged from 100 μR/hr to 3600 μR /hr respectively. Cameco Resources action level for posting a radiation area is 4000 μR/hr. The action level was never exceeded prior to the NRC inspection.

Because of the continuing movement of mining solution throughout the satellite facilities, sands and silts will settle out of the mining solution and concentrate in the bottoms of tanks, columns and other equipment, gradually increasing radiation levels. Radiation levels will decrease when tanks are cleaned, causing a fluctuation in activity over time. Our weekly surveys did not justify posting of Tank T407B prior to the NRC inspection.

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

On February 24, 2010 within 30 minutes of discovering the transfer tank T407B was indeed a Radiation Area it was posted as such. The purpose of posting a radiation area is to identify and effectively communicate radiological hazards to individuals, allowing them to take the appropriate protective actions.

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

Operating experience has demonstrated the fluctuation of radiation levels in tanks and vessels. Historically, ion exchange columns, waste water, and resin transfer water tanks will become radiation areas over time, but radiation levels may be less than the action level during any given surveying event. To maintain compliance with the regulations and in the spirit of ALARA, Cameco Resources has posted all tanks and vessels that have historically been known to be radiation areas, knowing that the fluctuation in radiation may justify the posting during any given sampling event.

4. The date when full compliance will be achieved:

All historically known "Radiation Areas" were posted by March 5, 2010.

Please contact me at 307-358-6541 ext 474 if you have any questions.

Sincerely,

Angelo Kallas
Safety, Health, Environment and Quality (SHEQ) Manager

AK/af

cc: J. Brister
T. Cannon
SR 4.6.4.1
D. Mandeville, NRC

US NRC
Attn: Document Control Desk
Washington, DC 20555-0001