



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

July 21, 2010

Mr. Lowell Spackman, District 1 Supervisor
Land Quality Division
Wyoming Department of Environmental Quality
Herschler Building
122 West 25th Street
Cheyenne, WY 82002

RE: East Storage Pond Leak, Cameco Resources, Smith Ranch-Highland Uranium Project,
Permit to Mine No. 633

Dear Mr. Spackman:

Pursuant to Permit to Mine No. 633 requirements and the NRC License SUA 1548, Power Resources, Inc. d/b/a Cameco Resources (CR) is herein providing written notification of a leak in the East Storage Pond at the Smith Ranch Facility. Following confirmation results, the leak was reported, via telephone, to Ms. Pam Rothwell of the Land Quality Division, Wyoming Department of Environmental Quality and Mr. Doug Mandeville, Nuclear Regulatory Commission Project Manager on July 21, 2010.

During a routine inspection on July 20, 2010, it was discovered that the water level in the East Evaporation Pond Sump was found to be eight inches deep, exceeding the six inch depth approved in the permit and license. In accordance with the permit and license, the sump water was analyzed for chloride and specific conductance to confirm that the source of the water was from the pond. The results are shown in the table below.

Confirming Sample Results

Sample E. Sump	Chloride (mg/L)	Conductivity (mS/cm)
7/20/2010	752	4140

The water level in the pond was 4 ft. freeboard at the time of the discovery. The pond fluid level was lowered 1 ft. in order to stop the leak, locate the liner breach and safely perform repairs. CR will continue to monitor the pond and sump and take appropriate actions, as necessary.

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

Sincerely,



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

AK/dk

cc: J. Brister T. Cannon
Mr. Doug Mandeville – NRC Project Manager (2-copies)
File SR 4.3.3.1 File SR 4.3.3.4