

CAMECO RESOURCES

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

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September 24, 2010

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

CERTIFIED MAIL #70101060000021397672 RETURN RECEIPT REQUESTED

RE: Release of Solutions Report, Cameco Resources, Smith Ranch Highland Uranium Project, Permit 633

Dear Mr. Spackman:

In accordance with WDEQ regulation and the NRC License SUA 1548, Power Resources, Inc. d/b/a Cameco Resources (CR) phoned Ms. Pam Rothwell of Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD), Mr. Doug Mandeville, Nuclear Regulatory Commission (NRC), and Mr. Joe Hunter, WDEQ, Water Quality Division (WDEQ/WQD), on September 10, 2010 and did leave a messages that a release had occurred at Smith Ranch-Highland Uranium Project in Converse County, Wyoming.

Approximately 960 gallons were released from a 10-inch HDPE pipeline located in Mine Unit 15, near headerhouse 12. It appears that the leaking pipe was caused by failure in the fuse between pipe joints. The release is located in the NE SW of Section 10, T.35N, R.74W, Converse County, Wyoming. A field map is attached. The release will be updated into the site base map for inclusion in the Annual Report as required by the Settlement Agreement for Notice of Violation Docket No. 4122-07.

A solution sample was collected and resulting analysis indicated 1.5 ppm U_3O_8 . The fluid is not considered hazardous material under RCRA and is not reportable under SARA. A gamma survey of the release area will be conducted using a MicroR meter and soil samples (0-6 inches) will be collected for analysis.

NUCLEAR. The Clean Air Energy.

CR's Spill Committee will also meet to address this release and make recommendations to mitigate re-occurrence.

NUCLEAR. The Clean Air Energy.

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

Sincerely,

Namer Kolkenan for Augelo Kallas

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

AK/dk

Attachment: Map

cc: J. Brister T. Cannon Mr. Doug Mandeville – NRC Project Manager (2-copies) Mr. Joe Hunter – Water Quality Division File SR 4.3.3.1 File SR 4.6.4.4 File SR 4.6.4.1

