



Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Matt Mead, Governor

John Corra, Director

May 25, 2011

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Ms. Dawn Kolkman
Cameco Resources, Inc.
P.O. Box 1210
Glenrock, WY 82637

Subject: March 2011 Inspection, Letter of Conference and Conciliation, Reportable Spill In MU-K-North, Permit 633, Cameco Resources

Dear Ms Kolkman:

The Land Quality Division received on May 10, 2011, CR's response to LQD's request to report a spill that occurred in MU-K-North of the Smith Ranch Mine. CR insists that the spill is not a reportable spill. The LQD has verified CR's claim to have discussed the spill with DEQ staff members, Joe Hunter and Dan Clark, and agrees the spill was reported as a courtesy to LQD. However, the conversations with Mr. Brister noted his insistence that the spill was not "reportable", i.e., it did not meet the regulatory requirements of the definition of a reportable spill. In addition, the DEQ/Water Quality Division could not confirm notification of the spill, as Mr. Brister was advised to do.

Following the conversations with Mr. Brister, an investigation was conducted during the March 2011 Inspection. While inspecting the spill site, neither of Cameco's representatives, Mr. McCarthy or Mr. DeGraugh could answer questions regarding the spill. Ms. Kolkman was not in attendance at the site inspection as stated in CR's May 10, 2011 letter.

CR made a decision to not report the spill in MU-K-North. Although a courtesy notice and discussion was provided to DEQ, it was conveyed that CR did not believe they needed to report the spill. When DEQ staff did not dispute Mr. Brister's conclusion, he assumed DEQ concurred with the decision. CR is cautioned against making such assumptions. The role of the regulatory agency is to protect the state's resources by enforcing the regulations and permit requirements. If CR chooses to contest the regulatory requirements, a discussion should be presented to the LQD Administrator.

The Regulations require an operator to report all spills greater than 420 gallons that enter or threaten to enter a water of the state. After observing the spill sight and reviewing the topographic map of the location of the spill it is determined that the spill threatened to enter the drainage adjacent to the modular tank location.

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This operation is being conducted under the permit provisions for non-coal operations required by the *Wyoming Environmental Quality Act (WEQA)* and the *Wyoming DEQ/LQD Noncoal Rules and Regulations (WR&R)*. Therefore, under the "Conference and Conciliation" provisions of the WEQA § 35-11-701(c), the following violations are identified:

- 1 According to the Wyoming Department of Environmental Quality/Water Quality Division, Chapter 4, Section 4 (a)(ii), *Any person owning or having control over oil or a hazardous substance which, after release, enters, or threatens to enter, waters of the state shall: (ii) immediately notify the division of the type, quantity, and location of the release, and of the response, containment, and cleanup actions which have been taken or are proposed to be taken.* **CR provided courtesy notification of the spill in MU-K-North with an internal decision that it was not reportable. An official notification of a "spill" was not reported to the appropriate agencies.**
- 2 According to CR's Permit 633, Chapter 5, Section 5.5.3, *Any spill which enters a water of the state, any spill in excess of 420 gallons or any spill that threatens to enter a water of the state, comprised of lixiviant, pregnant liquor, acid, solvent, process waste water or any similar stream shall be reported to DEQ/WQD and DEQ/LQD within 24 hours of the incident followed with a written report within 7 days. For the purposes of this document, a water of the state includes dry draws, playas, a wetlands, as well as streams, rivers and lakes.* **CR made a decision that the spill was not reportable without providing details of the spill with regard to the spill samples or a map of the spill with respect to waters of the state. A written report was not submitted within 7 days based CR's assumption that the spill was not reportable.**

Therefore, under the Conference and Conciliation provisions noted above, additional corrective actions are required. CR is required to:

- Officially report to the appropriate agencies, the spill in MU-K-North including the date of the spill, amount of the release, location of the release, and whether or not a sample was obtained of the spill release fluid.
- Submit a written report including a map of the spill and explanation of the events leading to the spill. Provide details of the apparent cause investigation conducted by CR's internal review.
- Compliance of the above items must occur **within 10 days of receipt of this Letter of Conference and Conciliation** to avoid further enforcement action.

If you have questions, please contact me at pam.rothwell@wyo.gov or 777-7048.

Sincerely,



Pam Rothwell
District 1 Assistant Supervisor
Land Quality Division

cc: Joe Brister, Cameco Resources, Cheyenne, WY
Doug Mandeville, Nuclear Regulatory Commission
Joe Hunter, DEQ, Spill Coordinator
Leah Kraft, DEQ/WQD