

DTM



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

June 24, 2011

Ms. Dawn Kolkman
Manager, Safety, Health, Environmental
and Quality
Power Resources, Inc. d/b/a Cameco Resources
Smith Ranch - Highland Uranium Project
PO Box 1210
Glenrock, WY 82637

SUBJECT: SMITH RANCH HIGHLAND URANIUM PROJECT - DAM SAFETY
INSPECTION REPORT FOR SATELLITE NO. 2 DAM

Dear Ms. Kolkman:

Enclosed is a copy of the Dam Safety Inspection Report for the Satellite No. 2 dam; which is also referred to as "Purge Storage Reservoir No. 2." This report was prepared by the Federal Energy Regulatory Commission (FERC) for the U.S. Nuclear Regulatory Commission. The enclosure contains the results of an inspection on April 18, 2011. The impoundment structures appear to be in satisfactory condition; however, the report contains several recommendations related to maintenance.

At FERC's request, the enclosure is not being made publicly available since it contains critical energy infrastructure information.

The enclosure transmitted herewith
contains Security-Related
information. When separated from
the enclosure, this document is
decontrolled.

DTM

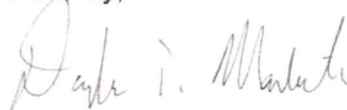
DTM

D. Kolkman

2

If you have any questions regarding this correspondence, please contact me at 301-415-0724, or by e-mail, at douglas.mandeville@nrc.gov.

Sincerely,



Douglas T. Mandeville
Uranium Recovery Licensing Branch
Decommissioning and Uranium Recovery
Licensing Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket No.: 40-8964
License No.: SUA-1548

Enclosure: Dam Safety Inspection Report

DTM