



Department of Environmental Quality

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



Matthew H. Mead, Governor

John Corra, Director

June 30, 2011

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

Subject: Cameco Resources Response to Letter of Conference and Conciliation (LCC) Surface Discharge in Proposed Mine Unit K-North, Permit 633

Dear Ms Kolkman:

The Land Quality Division (LQD) received response to the referenced LCC on June 13, 2011. The letter prompted investigation into the LQD regulations and the Wyoming Environmental Quality Act (WEQA) to determine LQD's authority to require spill reporting. The result of the review confirms LQD's authority to require reporting of spills. It is important to note the distinction between LQD requirements for reporting a spill and those by other DEQ Divisions or by other regulatory agencies such as the Nuclear Regulatory Commission. Under other regulatory entities, the term "reportable release" may be used to describe whether the water quality or quantity of the spill meets specific criteria. The LQD does not evaluate strictly the criteria used by other regulatory entities to determine whether a spill report is required.

The LQD's primary function is to regulate mine activity. If a spill occurs on the mine site, LQD evaluates not only the impacts of the water quality associated with the spill, but also how the spill impacts the mine site. These impacts take into consideration, the protection of the topsoil, vegetation, natural drainages, disturbance areas, reclamation areas, facility areas, etc.

To clarify this discussion with an example, please refer to the citations used in the Notice of Violation, Docket No. 4164-07 issued to CR on November 28, 2007:

1. LQD Non-Coal Rules and Regulations, Chapter 11, Section 9(a)(iv) requires the operator to "properly operate and maintain all facilities and systems of treatment and control which are installed or used by the operator to achieve compliance with the terms and conditions of the permit";
2. W.S. §35-11-415(b)(ii), requires the operator to conduct all mining activities in conformity with the approved plan;
3. W.S. §35-11-415(b)(viii), requires the operator to prevent pollution of surface and subsurface waters during the mining and reclamation operation;
4. Noncoal Rules and Regulations, Chapter 3 Section 2(c)(i) regulates protection of topsoil;

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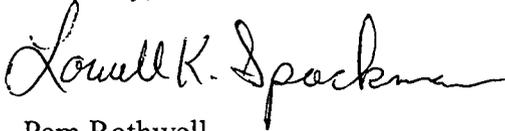
5. W.S. §35-11-402(a)(vi), precludes discharging pollution into waters of the state;
6. W.S. §35-11-301(a)(i), and Chapter 2 of the Wyoming Water Quality Rules and Regulations states that “no person, except when authorized by a permit issued by the Department of Environmental Quality, shall cause, threaten or allow the discharge of any pollution or wastes into the waters of the state.”

The referenced NOV is used to emphasize that the referenced spill resulted in multiple impacts; not limited to water quality. Please continue to report all spills to the LQD according to the permit commitments.

The staff will be reviewing the spill report for the MU-K-North spill to evaluate the impacts to the operation.

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