



CAMECO RESOURCES

Smith Ranch-Highland
Operation

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September 14, 2011

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington DC, 20555-1001

Certified Mail 7011 0470 0000 7716 0409

RE: Reply to Notice of Violation and
Request for Approval of an Alternate Decommissioning/Restoration Schedule
NRC Inspection Report 040-08964/09-002
Source Material License SUA-1548, Docket Number 40-8964

Please find attached Power Resources, Inc. d/b/a/ Cameco Resources reply to the Notice of Violation issued by the Nuclear Regulatory Commission (NRC) to Power Resources, Inc. on November 16, 2009. Cameco Resources is also requesting a retraction of the NOV reply concerning the Alternate Decommissioning/Restoration Schedule dated July 1, 2011. A response is being supplied in this correspondence in accordance with 10 CFR 2.201.

Also, please find attached Cameco Resources request for approval an Alternate Decommissioning/Restoration Schedule as approved by Wyoming Department of Environmental Quality, Land Quality Division for the Smith Ranch and Highland projects.

If you have questions, please contact me at (307) 358-6541, ext. 452.

Sincerely,

Brent Berg
General Manager
Smith Ranch-Highland Uranium Operation

BB/jmc

cc: File SR 4.6.4.1
B. Kluchewski
D. Mandeville, USNRC (2 copies)
US NRC
Certified Mail:
7011 0470 0000 7716 0393

Attn : Mr. Blair Spitzberg
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Regional Administrator, Region IV
Arlington, TX 76011-4125
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IED7
RGN-IV

Reply To Notice Of Violation

NRC Inspection Report 040-08964/10-002

Summary of Violation

During an NRC inspection conducted on September 15 through September 17, 2009, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 40.42 (h)(1) requires, in part, that licensees shall complete decommissioning of outdoor areas as soon as practicable but no later than 24 months following the initiation of decommissioning.

10 CFR 40.42 (i) states, in part, that the Commission may approve a request for an alternate schedule for completion of decommissioning of outdoor areas, if the Commission determines that the alternate is warranted.

Contrary to the above, the licensee failed to complete decommissioning of mine Units 1 and C within 24 months and failed to request an alternate decommissioning schedule. Specifically, the licensee began decommissioning of Mine Unit 1 during July 2006 and Mine Unit C during May 1999, both of which continue to be decommissioned, and the licensee had not requested an alternate decommissioning schedule until August 13, 2009.

This is a Severity Level IV violation.

Reason for the Violation

Cameco Resources did not submit for approval an Alternate Decommissioning Schedule within 24 months of initiating decommissioning (restoration) as required by regulations mentioned above. Coordinating the approval(s) of a Restoration Schedule with the Wyoming Department of Environmental Quality, Land Quality Division (LQD) and an Alternate Decommissioning Schedule with the NRC in an appropriate time frame has been and will be a challenge in the future. To expedite the approval process, Cameco Resources will submit a proposed Restoration Schedule (WDEQ/LQD) and an Alternate Decommissioning Schedule (NRC) simultaneously to both agencies for approval.

Corrective Actions

In the future, Cameco Resources will submit an Alternate Decommissioning Schedule for approval or a statement of no change in the schedule to the NRC concurrent with the annual surety submission and/or at such time as required by the WDEQ/LQD..

Date Full Compliance will be Achieved

January 1, 2012, pending NRC approval.

Proposed Alternate Decommissioning Schedule

07/03/08

SR RESTORATION SCHEDULE
9.0 PV: 1 GWS + 8 RO
GWS at 250 gpm
RO at 1000 extraction, 250 gpm bleed
(PROJECTED)

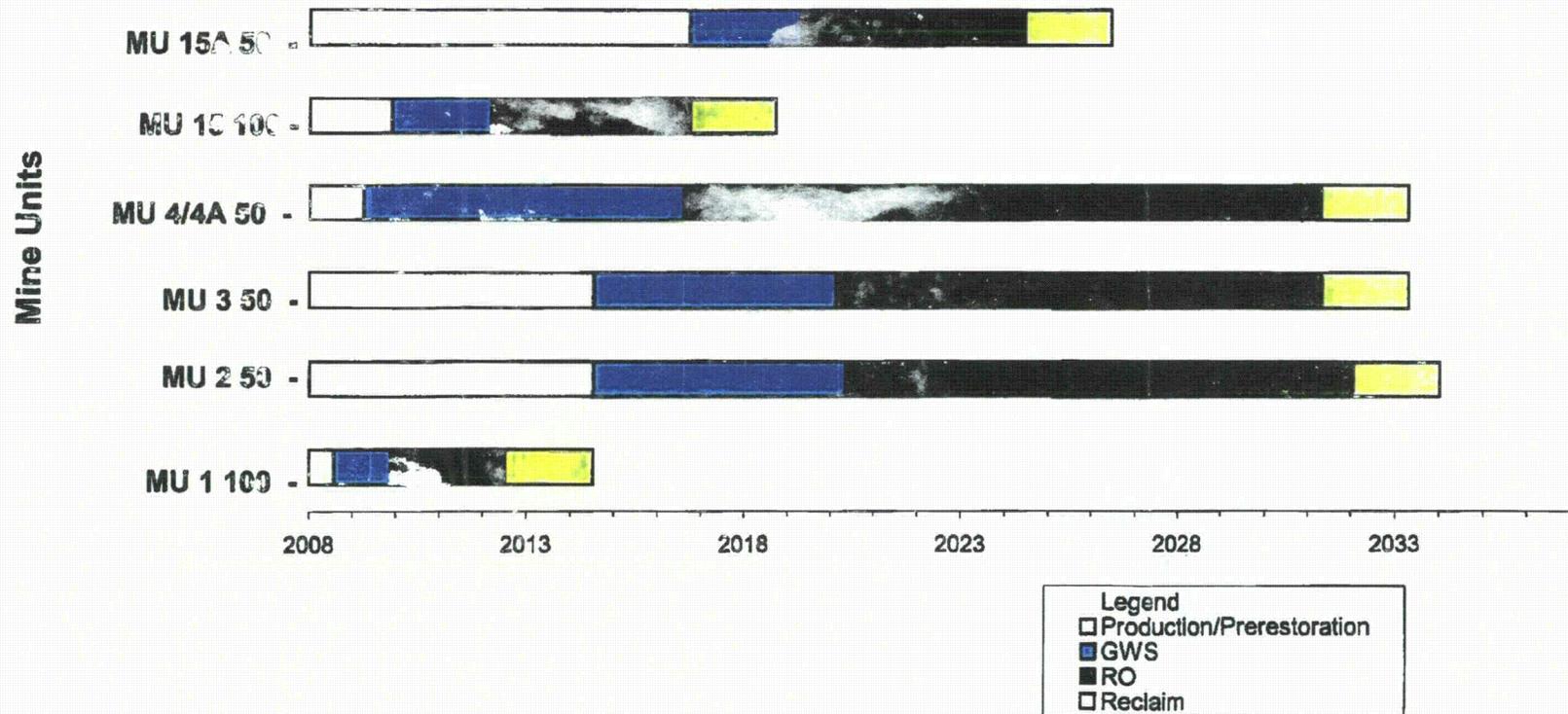
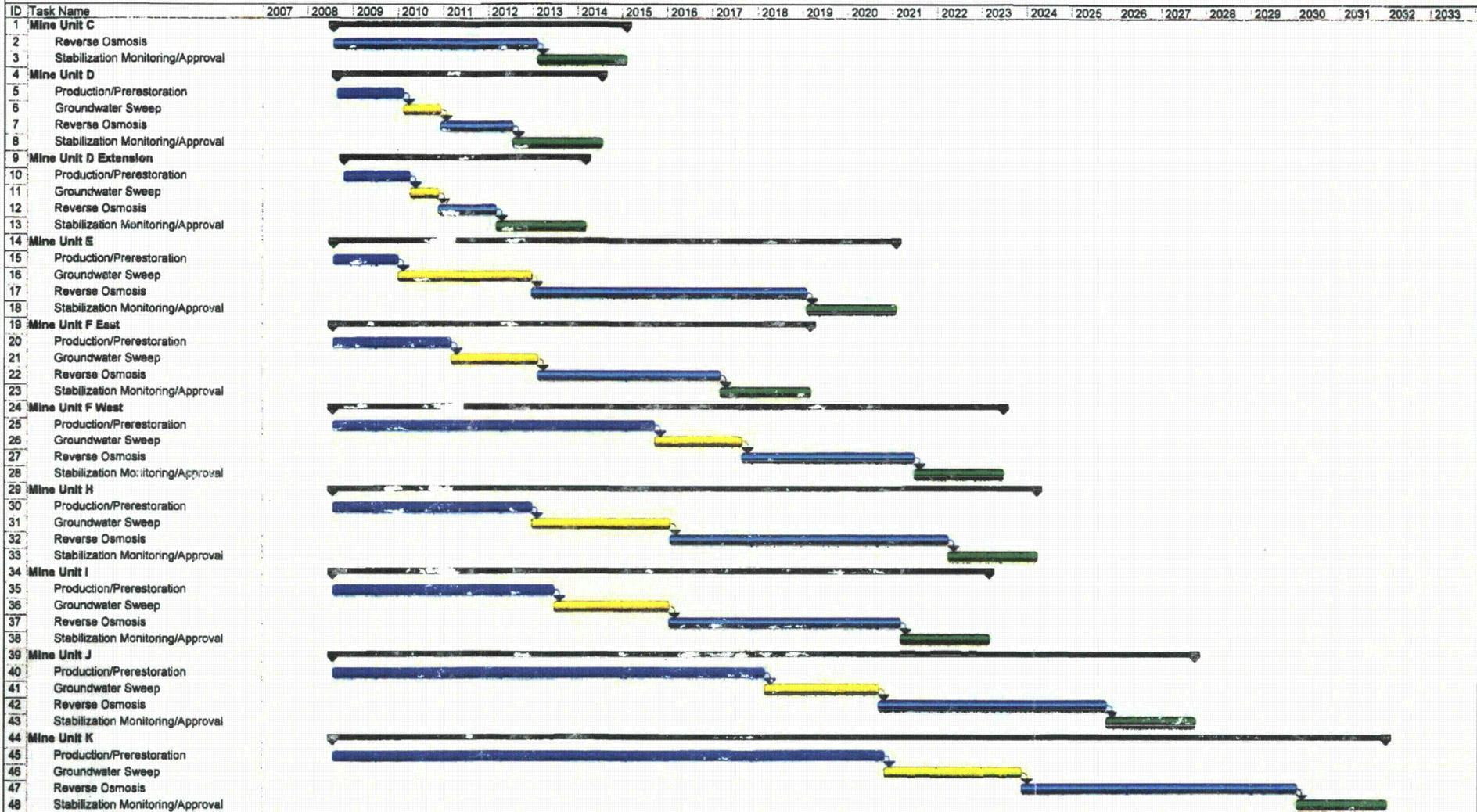


Table 1-2

Change No. 29-Permit 433
12/31/08-TFN 5 4/49

ATTACHMENT 1 - 2008 HUP RESTORATION SCHEDULE
 CONSIDERING 8.0 PV, 1GWS + 8 RO



CAMECO RESOURCES
 Project: HUP Restoration Schedule
 Date: Wed 5/18/09

Task		Progress		Summary		External Tasks		Deadline	
Split		Milestone		Project Summary		External Milestone			

Permit No 603-Change No. 64
 7/30/2009 - TFN 5 5/89