

**CAMECO RESOURCES
CROW BUTTE OPERATION**



**86 Crow Butte Road
P.O. Box 169
Crawford, Nebraska 69339-0169**

**(308) 665-2215
(308) 665-2341 – FAX**

June 13, 2012

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Michael Linder, Director
Nebraska Department of Environmental Quality
P. O. Box 98922
Lincoln, Nebraska 68509-8922

Dear Mr. Linder:

On May 25, 2012, during routine 15-year Mechanical Integrity Testing (MIT), well number SM6-5 in Mine Unit 6, Wellhouse 21 failed the MIT criteria. Using isolation techniques, it was determined that the failure was at the top of the 70 foot sleeve. Jenny Coughlin, Groundwater Geologist UIC/ME, at Nebraska Department of Environmental Quality (NDEQ), Lindsey Phillips, of the NDEQ field office in Chadron, and Ron Burrows, NRC Project Manager were notified concerning this well on May 25, 2012 at 11:55 a.m. MDT.

This well is a shallow monitor well which is sampled bi-weekly. The failed joint is approximately 5 feet above the static water level for the Brule Formation. Based on the location of the failure the likelihood for contamination is minimal.

Following isolation of the problem, a 70 foot sleeve was set using a drilling rig. The top of the 70 foot long patch is located at 34 feet and extends to 104 feet.

The well was then re-integrity tested on June 7, 2012 to check the entire well interval from 105' to surface. A copy of the successful MIT is enclosed.

If you have any questions or concerns on this matter, please do not hesitate to call me.

Sincerely,

Jim Stokey
General Manager

Enclosures

cc: Lindsey Phillips - NDEQ
Ron Burrows - NRC
CBO – File
ec: CR - Cheyenne

FOUR E20



Casing Integrity Test Report

Company: Crow Butte

Permit No: NE0122611

Project: Crow Butte

Well No: SM6-5

Casing Type: Certa-Lok

Diameter: 4.5 in.

Hole Depth: 220 ft.

Casing Depth: 109 ft.

Screened Interval 1 Top: 115 ft.

Screened Interval 2 Top: ft.

Screened Interval 1 Bottom: 150 ft.

Screened Interval 2 Bottom: ft.

Screened Interval 3 Top: ft.

Screened Interval 4 Top: ft.

Screened Interval 3 Bottom: ft.

Screened Interval 4 Bottom: ft.

Depth to K-Packer: 105 ft.

Depth to Test Packer(s) Top: Ground level ft.

Bottom: 78 ft.

Comments: 5 YR. Re-test. Tested in 5000 psi with bottom packer inflated to 300 psi.

Table with 3 columns: Time, Elapsed Time (Min), Pressure (PSIG). Rows show data points from 6:35 to 6:55.

Well Tag ID Number: SM6-5

Test Performed By: [Signature]

Date: 6-7-12

Calibration Performed By: [Signature]

Date: 6-1-12

CERTIFICATION

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this application and all attachments and that, based on inquiry of those individuals immediately responsible for obtaining information, I believe that the information is true, accurate, and complete. Further, I certify awareness that there are significant penalties for submitting false information, including the possibility of a fine and imprisonment.

By: [Signature] PRINTED NAME OF PERSON SIGNING.

[Signature] TITLE

By: [Signature] SIGNATURE

[Signature] DATE