



CAMECO RESOURCES

*Smith Ranch-Highland
Operation*

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July 5, 2012

Mr. Doug Mandeville
U.S. Nuclear Regulatory Commission
11545 Rockville Pike
Two White Flint North, Mailstop T8 F5
Rockville MD 20852-2738

CERTIFIED MAIL # 7010 1870 0002 1233 7523 RETURN RECEIPT REQUESTED

**RE: Phase 4A of the Highland Plant Renovation
Source Material License SUA-1548, Docket 40-8964**

Dear Mr. Mandeville:

Power Resources, Inc. d/b/a Cameco Resources is providing notification of the commencement of the dryer removal at the Highland Uranium Project (HUP) facility. The renovation of the HUP facility was divided into phases to allow for detailed review.

Phase I: Notification of the commencement of Phase I was sent to the NRC on September 15, 2011

Phase II: Notification of the commencement of Phase II was sent to the NRC on January 11, 2012.

Phase III: The modernization of the highland plant will be reviewed through the ORC/SERP process and will include retrofitting components, tanks and vessels, and the installation of two vacuum dryers similar in design and function as the vacuum dryers at Smith Ranch's CPP. Notification will be submitted to the NRC once approved through the ORC/SERP process.

Phase 4A: Removal of the calciner dryer from the existing HUP facility.

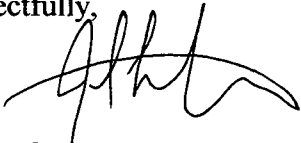
The Safety and Environmental Evaluation for Phase 4A of the renovation of the HUP facility completed by Operational Review Committee (ORC) #9/11-5. The supporting documents not included with this submittal which were reviewed by the ORC include the work plan, risk assessment of the work plan, decontamination procedures, procedures for proper personal

protective equipment donning and doffing, and plans of the fabricated decontamination enclosure. These documents are available for NRC review during facility inspections.

Cameco Resources has contracted Health Physics Technicians who will perform the necessary work and will report directly to Smith Ranch-Highland's Radiation Safety Officer and Health Physics Department. This will ensure that proper personal contamination scanning, radiation surveying and RWP evaluations will be in accordance to our license, guidance and procedures. The Smith Ranch-Highland Health Physics Department will be responsible for the free release of all materials removed and the proper handling of contaminated materials not meeting free release criteria. All contaminated materials will be disposed of at a NRC approved and licensed 11e.(2) byproduct disposal site.

If you have any questions, please contact Josh Leftwich at 307-316-7600, or email to Josh_Leftwich@cameco.com.

Respectfully,



Josh Leftwich
Director, Safety, Health, Environment and Quality

JL/jmc

cc: Document Control Desk, NRC Certified Mail #7010 1870 0002 1233 7516
ec: Cameco-Cheyenne