



CAMECO RESOURCES
 Smith Ranch-Highland
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August 6, 2012

Mr. Lowell Spackman, District I Supervisor
 Land Quality Division
 Wyoming Department of Environmental Quality
 122 W. 25th Street
 Cheyenne, WY 82002

CERTIFIED MAIL # 7011 3500 0000 5274 0856 RETURN RECEIPT REQUESTED

RE: Excursion at Monitor Well FM-009, Cameco Resources, Permit No. 603

Dear Mr. Spackman:

Pursuant to Wyoming Department of Environmental Quality (WDEQ) – Land Quality Division (LQD) Chapter 11 regulations, Section 8.4 of the Operations Plan for Permit 603 and Nuclear Regulatory Commission (NRC) License SUA-1548 Condition No. 11.5 for the Highland Uranium Project, Power Resources, Inc. d/b/a/ Cameco Resources (Cameco) is providing written notification that Monitor Well FM-009 went on excursion status July 30, 2012. A confirmation sample was taken on July 31, 2012 with results received on August 1, 2012. Ms. Pam Rothwell with WDEQ/LQD and Mr. Doug Mandeville with the NRC were verbally notified by telephone, followed by an email notification, on August 1, 2012.

Analytical results of July 31, 2012 for the routine sample taken on July 30, 2012 indicated a potential exceedance in chloride and alkalinity. Cameco collected a confirmation sample from the well and analyzed it with a quality assurance duplicate on July 31, 2012. Results of the laboratory analyses confirmed the exceedance of two of the three Upper Control Limit (UCL) parameters as shown below.

Sample Date	Chloride (mg/L)	Alkalinity (mg/L CaCO ₃)	Conductivity (µMhos/cm)
	UCL 18	UCL 230	UCL 769
7-30-2012	19	251	674
7-31-2012	19	255	670

FSME20

Monitor Well FM-009 is located in Mine Unit F, near Header House F-11 as illustrated on the attached map. As discussed with LQD, Cameco intends to increase the bleed in the area of header house F-11 with the intent of pulling the excursion fluid back toward the mining pattern. Cameco is investigating the cause of the excursion event and will share findings with LQD in the next monthly excursion update. The excursion at monitor well FM-009 will be identified on the Cameco Resources site map.

Pursuant to WDEQ/LQD Chapter 11, Section 2, a duly authorized representative certification is attached.

Please feel free to contact me at (307) 358-6541 ext. 476 or at Kenneth_Garoutte@cameco.com if you have any questions.

Sincerely,



Ken Garoutte
Safety, Environment, Health, Quality (SHEQ) Manager

KG/vg

Attachments: 1) Map
 2) Duly Authorized Representative Certification

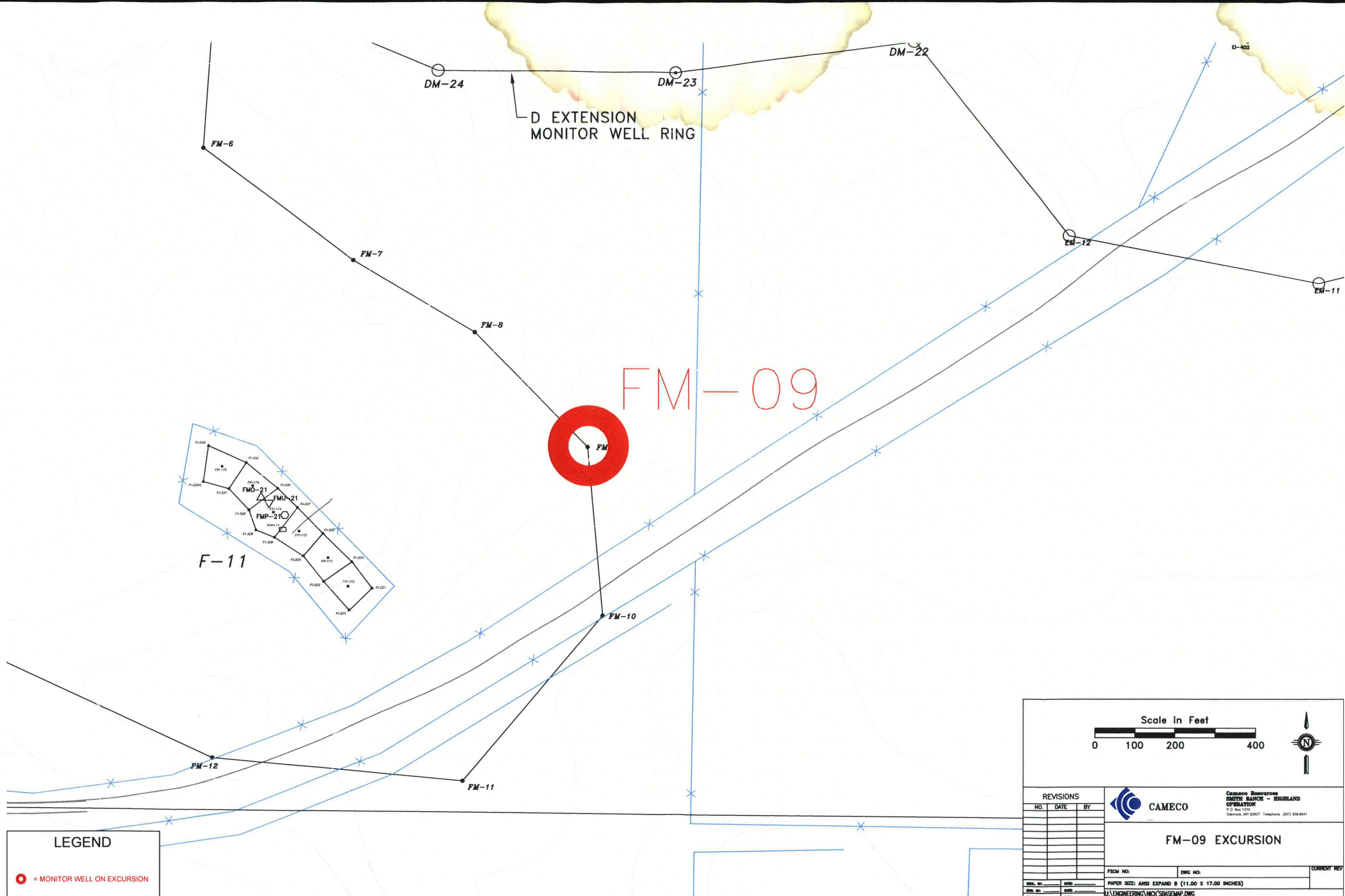
cc: File HUP 4.3.3.1
 Special Volume: Excursion Status Reports
 Doug Mandeville, NRC Certified Mail # 7011 3500 0000 5274 0863
 Document Control Desk, NRC Certified Mail # 7011 3500 0000 5274 0870

cc: Cameco-Cheyenne

Duly Authorized Representative Certification

I certify under penalty of law that this document and all attachments were prepared under my direction and supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for known violations.

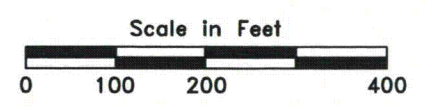
Brent Berg by Dave Moody 08-06-2012
Duly Authorized Representative: Brent Berg Date:



D EXTENSION
MONITOR WELL RING

FM-09

F-11



LEGEND

= MONITOR WELL ON EXCURSION

<p>Scale in Feet</p> <p>0 100 200 400</p>																																								
<p>REVISIONS</p> <table border="1"> <thead> <tr> <th>NO.</th> <th>DATE</th> <th>BY</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>			NO.	DATE	BY																																		<p>CAMECO</p> <p><small>Cameco Resources SMITH RANCH - HIGHLAND OPERATION P.O. Box 1270 Geneseo, WV 26037 Telephone (307) 358-6541</small></p>	
NO.	DATE	BY																																						
<p>FM-09 EXCURSION</p>			<p>FSCM NO: _____ DWG NO: _____ CURRENT REV: _____</p>																																					
<p>PAPER SIZE: ANSI EXPAND B (11.00 X 17.00 INCHES)</p>			<p>U:\ENGINEERING\NICK\SBASEMAP.DWG</p>																																					