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August 10, 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 RETURN RECEIPT REQUESTED

**RE: Advanced Notification of Renovation Activities and Future Operation
of a Central Processing Plant at Cameco Resources' Highland Site
Source Material License SUA-1548, Docket 40-8964**

Dear Mr. Mandeville:

Power Resources, Inc. d/b/a Cameco Resources (Cameco) has approved the renovation and operation of a Central Processing Plant (CPP) at Cameco's Highland site. Per Source Material License SUA-1548 License Condition (LC) 9.4, a Safety and Environmental Review Panel (SERP) convened on 7/19/2012 to ensure the proposed renovation and operation of the CPP would not cause additional physical or environmental harm than that previously evaluated by the Nuclear Regulatory Commission (NRC).

The ORC/SERP determined that the proposed renovation activities and future operation of the CPP lies within the envelope of previously approved NRC Environmental Assessments, Safety Evaluation Reports, Technical Evaluation Reports, and will not cause any of the conditions outlined in LC 9.4(b). The proposed CPP will be similar in design to the Satellite facilities and operating CPP at the Smith Ranch site which have been previously evaluated by the NRC. The proposed CPP will introduce no new processes or procedures than those previously evaluated by the NRC. Additionally, the proposed CPP will be equipped with no emission dryers, which will be a major improvement to the radiological safety than that evaluated by the NRC for the previously operating CPP at Highland.

Consistent with LC 10.1.2(c) and correspondence from the NRC dated 2/13/2012, a pre-operational inspection of the yellowcake dryers will be completed by the NRC prior to restart.

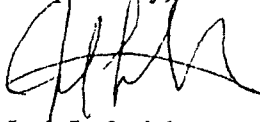
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Additionally, a proposed minor revision to LC 9.1 and 10.1.12 will be sent for NRC approval prior to operation.

The complete documentation including the Safety and Environmental Evaluation, drawings, specifications, risk assessment, and scope of work is located at the Smith-Ranch Highland Site and is available for review during the next routine NRC inspection.

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

ec: Cameco-Cheyenne