



CAMECO RESOURCES

Smith Ranch-Highland
Operation
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October 25, 2012

Mr. Lowell Spackman, District 1 Supervisor
Land Quality Division
Wyoming Department of Environmental Quality
Herschler Building
122 West 25th Street
Cheyenne, WY 82002

CERTIFIED MAIL # 7011 0470 0001 0202.2641 RETURN RECEIPT REQUESTED

RE: **Release of Solutions Report, Booster Station #3, Mine Unit 3 Cameco Resources, Smith Ranch Highland Uranium Project, Permit 633**

Dear Mr. Spackman:

In accordance with WDEQ regulation and the NRC License SUA 1548, Power Resources, Inc. d/b/a Cameco Resources (Cameco) verbally notified via telephone Ms. Pam Rothwell of Wyoming Department of Environmental Quality, Land Quality Division (LQD) and Mr. Doug Mandeville, Nuclear Regulatory Commission (NRC), on October 22, 2012, that a release occurred at Smith Ranch-Highland Uranium Project in Converse County, Wyoming on October 20, 2012. The release was also recorded in the WQD Report a Spill or Release online database, Incident Id: 121022-151156.


Approximately 100 gallons of production fluid was released from Booster Station #3 house when an above ground 10" steel pipe began leaking through a hole caused by corrosion. The release flowed out from the booster house and entered a dry draw making the event reportable to the WDEQ and NRC. The leak detection system alerted the satellite operator. The booster house was immediately bypassed stopping the release. The booster house will remain bypassed until repairs to the steel pipe are made. A sample of the fluid released was taken on October 20, 2012 and analyzed on October 22, 2012. The result of the analysis showed a Uranium content of 31.1 ppm.

The release was located in the NE ¼ of the SW ¼ in Section 26, T36N, R74W, of Converse County, Wyoming. A field map is attached showing approximate location of the release. The release will be updated into the site base map for inclusion in the Annual Report.

Soil samples will be taken at 0-2" and 0-6". Cameco will provide a follow-up letter to LQD with the soil sample analyses and an updated map. Any further characterization for potential remediation will be discussed in the follow-up letter.

Please contact me at 307-358-6541, ext. 476 or Kenneth_Garoutte@cameco.com if you have questions.

Respectfully,



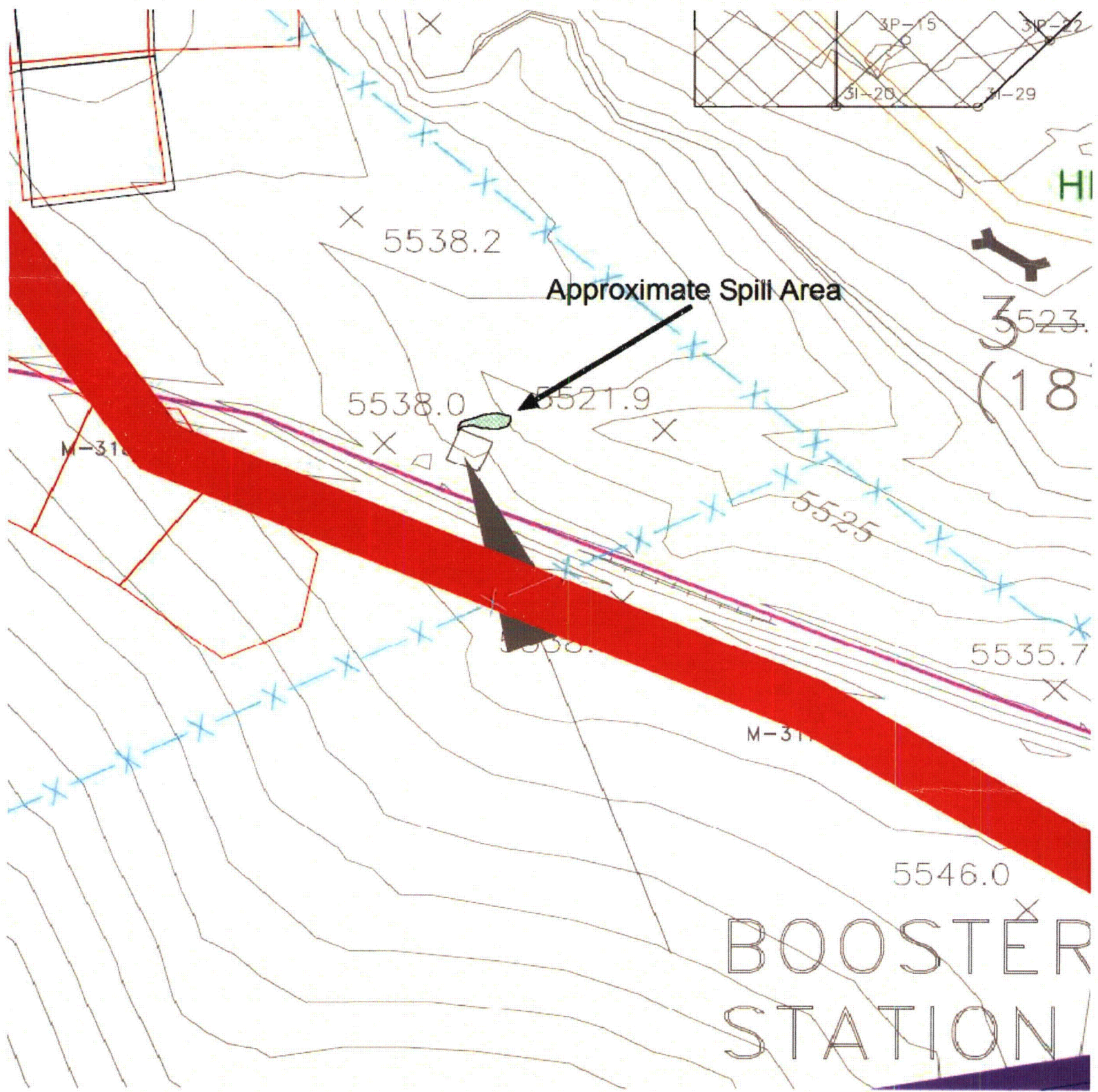
Ken Garoutte
Safety, Health, Environment and Quality (SHEQ) Manager

KG/kg

Attachments: Map

cc: File SR 4.3.3.1
Special Volume: Wellfield Release, Spill Reports
Mr. Doug Mandeville, NRC Certified Mail # 7011 0470 0001 0202 2658
Document Control Desk, NRC Certified Mail # 7011 0470 0001 0202 2665
Mr. Joe Hunter – Water Quality Division Certified Mail # 7011 0470 0001 0202 2672

cc: Cameco Resources-Cheyenne



Approximate Spill Area

BOOSTER
STATION