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December 4, 2012

CERTIFIED MAIL # 7011 3500 0000 5274 1648

Mr. Lowell Spackman, District 1 Supervisor
Land Quality Division
Wyoming Department of Environmental Quality
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Responses to Review of Excursion Reported at JM-007, Permit 603, Cameco Resources

Dear Mr. Spackman:

Power Resources, Inc. d/b/a/ Cameco Resources (Cameco) is herein providing responses to LQD comments for the review of the excursion at JM-007.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Ken Garoutte', written in a cursive style.

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

KG/vg

Attachment: Responses to LQD Review of Excursion Reported at JM-007

cc: File HUP 4.3.3.1
Special Volume: Excursion Status Reports
Doug Mandeville, NRC Certified Mail # 7011 3500 0000 5274 1655
Document Control Desk, NRC Certified Mail # 7011 3500 0000 5274 1662
cc: Cameco-Cheyenne

RESPONSE TO REVIEW OF EXCURSION REPORT AT JM-007
CAMECO RESOURCES

INTRODUCTION

JM-007 went on excursion August 3, 2012. The first confirmation sample taken August 6, 2012 indicated that the well was not on excursion. The second confirmation sample taken on August 7, 2012 confirmed the excursion. LQD was verbally notified on August 8, 2012 with written notification following in a letter dated August 14, 2012. Cameco received a letter dated October 19, 2012 from the LQD stating their concern that JM-007 had been on excursion status 3 times in the preceding 7 months. The following provides LQD comments for the October 19, 2012 letter and Cameco responses.

COMMENTS

- 1. Chapter 11, Section 12(b)(i) requires the second sampling event to be conducted within 24 hours of the receipt of the results from the first sampling event. The first sampling event for this well was on August 3 and the second sampling event was on August 6, 2012. Please provide an explanation why the second sampling event was three days later. (SI)*

Cameco Response: Cameco understands the Chapter 11, Section 12(b)(i) requirement of a confirmation sample being taken within 24 hours of the receipt of the results from the first sampling event. Sample results are typically received one business day following the date of the sample. In this instance, the first sample was taken on Friday, August 3, 2012. Sample results were received on Monday, August 6, 2012, coinciding with the date of the second sampling event.

- 2. CR states that it is closely monitoring the behavior of this well. CR does not describe what this monitoring entails. Please provide additional details regarding efforts to determine the cause of the repeated excursions and how additional excursions will be prevented in this well. (SI/PCR)*

Cameco Response: Cameco has adjusted the flow in different pumping wells to evaluate the effect each has on well JM-007. In addition, Cameco is using potentiometric maps of water elevation in the aquifer to monitor the direction of flow and evaluate the impact the flow has on well JM-007. These maps are produced bi-weekly and evaluated by an internal working group. Assessment of JM-007 is ongoing to determine the cause of the excursion and in an effort to prevent an additional excursion at the well.

3. *LQD is interested in the uranium content of the water quality of the initial sample. This information should be reported in the initial verbal confirmation as CR has reported in the past. Please indicate the uranium content. (PCR)*

Cameco Response: Permit 603 requires analysis of uranium once a well is confirmed on excursion. Because uranium analysis is only conducted once the excursion is confirmed, uranium content results were not available at the time of initial verbal communication (within 24 hours of confirmation), or at the time of initial written notification (within 7 days of confirmation). Cameco has reviewed Chapter 11 requirements for an excursion, and did not find a requirement for analysis of uranium in the event of an excursion.