CAMECO RESOURCES CROW BUTTE OPERATION



86 Crow Butte Road P.O. Box 169 Crawford, Nebraska 69339-0169

(308) 665-2215 (308) 665-2341 – FAX

January 21, 2013

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Michael Linder, Director Nebraska Department of Environmental Quality P. O. Box 98922 Lincoln, Nebraska 68509-8922

Dear Mr. Linder:

On January 18, 2013, during routine 10-year Mechanical Integrity Testing (MIT), well number P-3357 in Mine Unit 8, Wellhouse 39 failed the MIT criteria. Using isolation techniques, it was determined that the failure is the casing joint at the 20-foot level. Shar Sapp, of the NDEQ field office in Chadron and Ron Burrows, NRC Project Manager were notified concerning this well on January 18, 2013.

P-3357 has not been operated as a production well since January 25, 2007 and successfully passed a MIT on March 6, 2008. Due to the past history of this well it is unlikely that any contamination has occurred. Shar Sapp reviewed the information for this well and concurred that the likelihood for contamination was minimal.

The nearest Shallow Monitor (SM) well to P-3357 is SM8-8. I have enclosed the latest results from this Shallow Monitor well for your review.

At this time, Crow Butte intends to repair P-3357 by installing a sleeve to cover the failed joint. The well will then be re-MIT'd to ensure that the repair is sufficient. If CBR is unable to repair the well, then it will be abandoned according to approved procedure.

If you have any questions or concerns on this matter, please do not hesitate to call me.

Sincerely,

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Doug Pavlick General Manager

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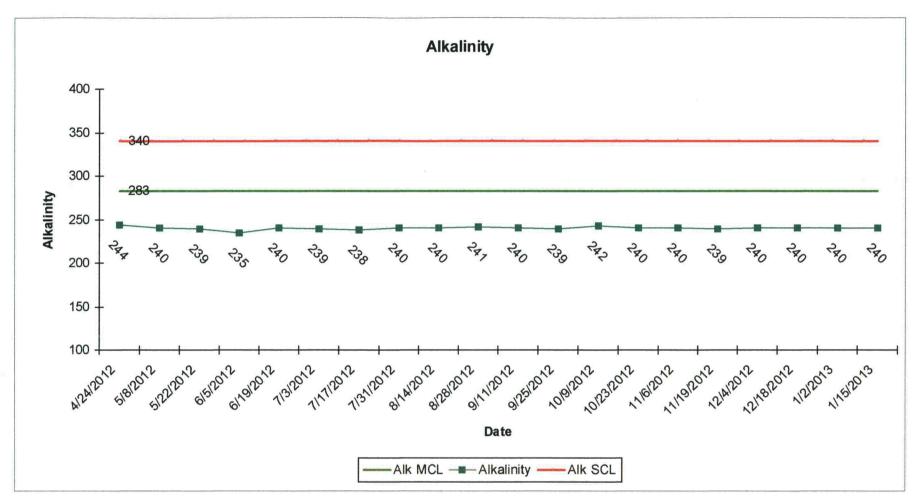
CROW BUTTE RESOURCES, INC.

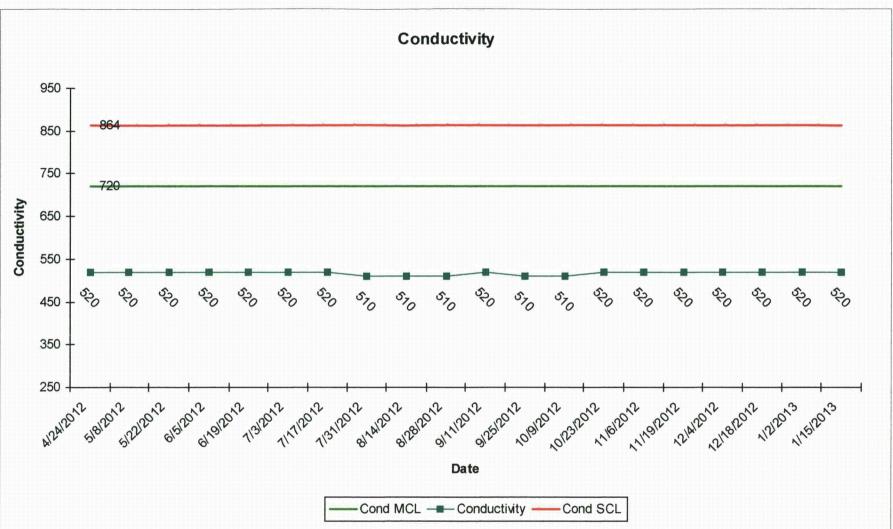


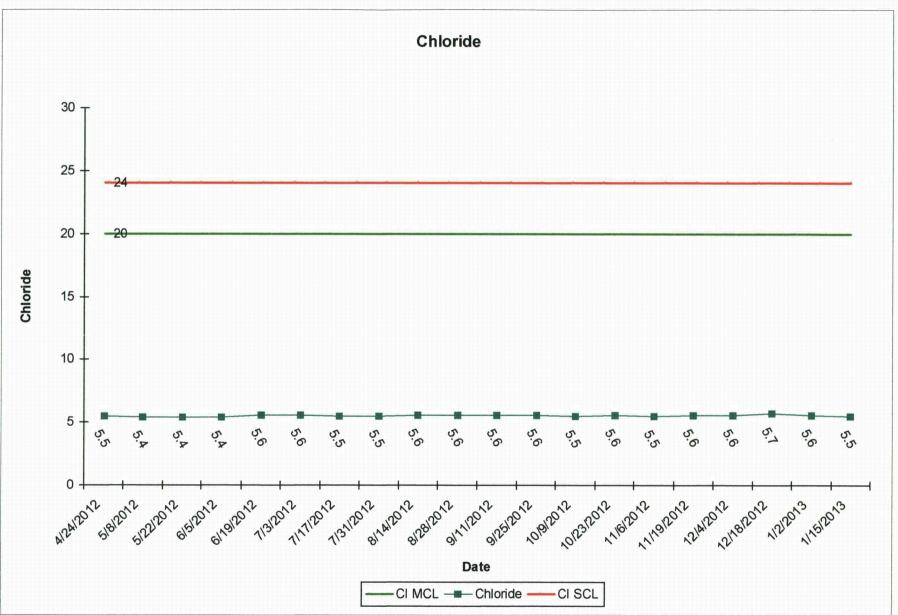
Enclosures

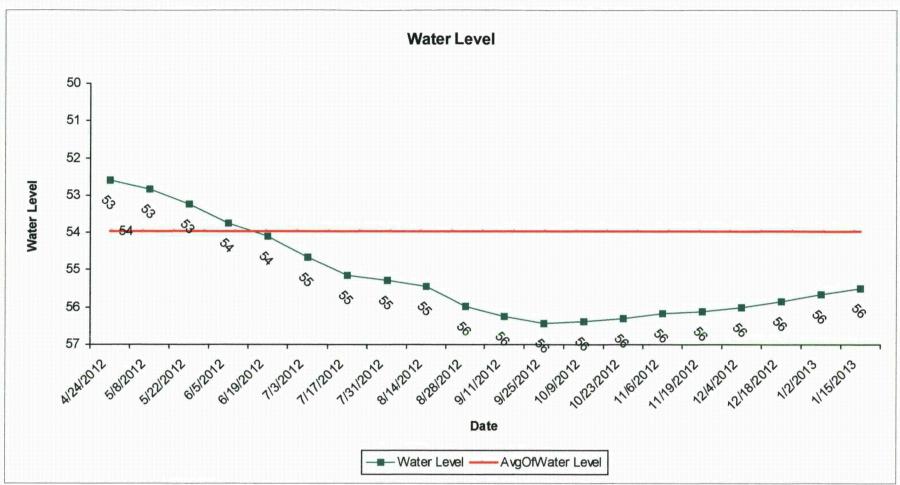
Shar Sapp – NDEQ Ron Burrows – NRC CBO – File cc: CR - Cheyenne

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Mr. Ron Burrows, Project Manager
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Division of Waste Management and Environmental Protection
Office of Federal and State Materials and Environmental Management Programs
Mailstop T8-F5
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Cameco



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