



Department of Environmental Quality

To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.



Matthew H. Mead, Governor

Todd Parfitt, Director

February 5, 2013

Mr. Ken Garoutte
Manager-Health, Safety and Environmental Affairs
Cameco Resources, Inc.
PO Box 1210
Glenrock, WY 82637

RE: TFN 5 3/121, Approval of Minor Revision, Restoration Plan Revision, Cameco Resources, Permit 633, Change No. 44, Revision No. 7

Dear Mr. Garoutte:

This letter serves as Land Quality Division's (LQD) approval for the above referenced Minor Revision. The submittal has been reviewed by LQD staff and found to be technically adequate. All technical issues were completed under the T-7 review which is enclosed. Please note a condition has been placed on the Form 11 requiring CR to provide a permit revision by **March 31, 2013** to address the operational limitations which appear to be delaying the acceleration of restoration of wellfields that have been idle for a long period of time.

Approval of this revision provides an updated water balance and restoration schedule to Permit 633 as well as text clarification to the restoration plan. In the event that revisions other than those listed on the Index of Changes inadvertently occurred within this package, those revisions are not automatically considered approved.

LQD will insert the approved pages into the permit document according to the Index of Changes. LQD will track this Minor Revision as **Change No. 44, Revision No. 7**.

There are no changes to the permitted acres, affected acres, or the surety as a result of this Minor Revision.

If you have any questions, please contact pam.rothwell@wyo.gov or 307-777-7048.

Sincerely,

Nancy Nuttbrock
Administrator
Land Quality Division

Herschler Building · 122 West 25th Street · Cheyenne, WY 82002 · <http://deq.state.wy.us>

ADMIN/OUTREACH (307) 777-7758 FAX 777-7682	ABANDONED MINES (307) 777-6145 FAX 777-6462	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7369 FAX 777-5973	LAND QUALITY (307) 777-7756 FAX 777-5864	SOLID & HAZ. WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973
--	---	---	---	--	--	---



/pcr

Enclosure: T7 Review & Form 11

cc: Cameco Resources, Cheyenne
Ramona Christensen, LQD Records Manager
Doug Mandeville, NRC

TFN 5 3/121, REVISED RESTORATION SCHEDULE, T7 REVIEW

PERMIT 633, CAMECO RESOURCES, HIGHLAND URANIUM PROJECT

INTRODUCTION

The LQD received responses to the two remaining comments on December 17, 2013. The following is a review of the responses.

COMMENTS

- 1 Response Acceptable. Page 3-8. The text was modified to reflect the estimated restoration period shown in the restoration schedule. The schedule is subject to change with the next required permit revision addressing operational limitation affecting restoration progress (see new permit conditions with this approval). **(PCR)**
- 2 Response Acceptable. As requested by LQD, the Smith Ranch Water Balance has been revised to include the required pore volumes of groundwater sweep and reverse osmosis.

NEW Pages 6-1A and 6-1B have been provided. **(PCR)**

ADDITIONAL REVIEW

During this seventh round of review, other content to the proposed changes were noted to be unacceptable. However, in effort to finalize the review for approval which will provide a more current restoration schedule to the approved plan, the reviewer would prefer to note the following concerns and request that they be addressed in the March 31, 2013 proposed revision. The following two concerns should be addressed in the upcoming revision.

- 1 Page 6-3B includes the following statement: *Cameco Resources will submit updates to the restoration schedule in the Annual Report for review of the production/restoration status.* Updates through the annual reports will require more in-depth discussion describing precisely the intent of the annual report updates. Past experience has demonstrated that CR has exceeded the intent of the allowance to update through annual reports. For example, new wellfields not included in the approved mine plan have been submitted as updates in the annual report. The reviewer would like to have a better understanding of CR's intent to update the restoration schedule through the annual report.
- 2 CR has not included MU-K in the Smith Ranch Water Balance (Permit 633). It is included in the Highland Water Balance (Permit 603). Please make the correction to include MU-K and MU-K-North on the Permit 633 Water Balance with the March 31, 2013 revision.

FORM 11 CONDITION

The LQD has had many discussions and rounds of comment/response concerning groundwater restoration since the issuance of the Notice of Violation Docket No. 4231-08 in 2008. The delay in groundwater restoration has continued to be an elevated concern with minimal progress made by CR to explain the delays. Numerous staff changes in the Safety/Health/Environment/Quality (SHEQ) Department as well as at the mine office throughout this period contributed to the restoration delays. Throughout the reviews of this TFN, the LQD listened to reasonable and unreasonable explanations to justify the delays to restore idle wellfields.

During the late rounds of review of this revision, it became evident that operational philosophies were changing at the mine in a positive manner. However, the explanations to crucial questions remain unaddressed. Therefore, a permit condition is required to insist on further explanation of restoration delays.

It is understood that restoring a backlog of mine units requires operational infrastructure, facilities, water resources and man power that are also required to maintain production activities. CR may need to consider separate infrastructure, facilities, etc. to better facilitate restoration. In November 2012, CR presented to LQD an update of the restoration progress at the mine site and a commitment to continue with these presentations on a quarterly schedule. This progress indicates that CR is beginning to understand operational limitations with concurrent mining and restoration and what is needed to expedite restoration. Therefore, the next revision addressing groundwater restoration as outlined in the permit condition below will be expected to better address many of the unanswered questions with regard to acceleration of groundwater restoration as well as concurrent restoration with mining.

The permit condition outlined during the T-6 review will be added to the Form 11 which was provided by CR with the responses to T-6 comments. The condition includes the following text:

Cameco Resources is required to submit a permit revision by March 31, 2013 which will include text discussion addressing the following:

- 1) operational limitations that are delaying the acceleration of restoration,*
- 2) proposed solutions to address these delays including commitments with timelines and proposed dates for implementing the solutions,*
- 3) provide explanation, methodology and commitment to accelerate restoration and the ability to mine and restore wellfields simultaneously,*
- 4) define an acceptable definition for the "end of mining in a wellfield",*
- 5) explain how restoration and mining are conducted in the same wellfield and the "progressive change-over method" of restoring a wellfield,*
- 6) explain how and when restoration monitoring will begin with the "progressive change-over method."*