



CAMECO RESOURCES
Smith Ranch-Highland
Operation
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February 22, 2013

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

Dear Mr. Spackman:

Release of Solutions Report, Mine Unit F, 42F Bellhole, Cameco Resources, Smith Ranch Highland Uranium Project, Permit 603

In accordance with WDEQ regulation and the NRC License SUA 1548, Power Resources, Inc. d/b/a Cameco Resources (Cameco) verbally notified via email Mr. Lowell Spackman of Wyoming Department of Environmental Quality, Land Quality Division (LQD), Mr. Joe Hunter of Wyoming Department of Environmental Quality, Water Quality Division (WQD) and Mr. Doug Mandeville, Nuclear Regulatory Commission (NRC), on February 17, 2013, that a release occurred at Smith Ranch-Highland Uranium Project in Converse County, Wyoming. The release was also recorded in the WQD Report a Spill or Release online database, Incident Id: 130220-125254.

Approximately 105 gallons of injection fluid was released from the 42F Bellhole near Header-House F-15 due to a small perforation in the pipeline. The fluid released flowed from the point of failure entering a dry draw. Upon discovery, during a routine inspection, the pipeline was immediately shut down, and a truck was dispatched to recover as much fluid as possible. Approximately 50 gallons were recovered. The pipeline is currently being repaired and will be put back in service following confirmation of repairs. A sample of the fluid released was taken on February 17, 2013 and analyzed for uranium. The result of the analysis showed a uranium content of 5.7 ppm.

The release was located in the NW ¼ of the SE ¼ in Section 21, T36N, R73W, 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 were taken from 0-2" and 0-6" at three locations along the route of the spill, and one location outside and upgradient from the affected area as a background sample. Upon receipt

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of analytical results, 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/nsb

Attachments: Map

cc: File SR 4.3.3.1
 Special Volume: Wellfield Release, Spill Reports
 Mr. Doug Mandeville, NRC Certified Mail # 7011 3500 0000 5274 2133
 Document Control Desk, NRC Certified Mail # 7011 3500 0000 5274 2140
 Mr. Joe Hunter – Water Quality Division Certified Mail # 7011 3500 0000 5274 2157

cc: Cameco Resources-Cheyenne

