

April 12, 2013

Sent via Overnight Mail

Attn: Document Control Desk  
U.S. Nuclear Regulatory Commission  
Mr. Drew Persinko, Deputy Director  
Decommissioning & Uranium Recovery Licensing Directorate  
Division of Waste Management & Environmental Protection  
Office of Federal and State Materials &  
Environmental Management Programs  
11545 Rockville Pike  
Rockville, MD 20852-2738

**Subject: License SUA-1341, Docket No. 40-8502  
Willow Creek Project  
Christensen Ranch Evaporation Pond CR-2**

Dear Mr. Persinko:

In accordance with License Conditions 11.4 and 9.2 of the referenced license, this correspondence serves as the written notification that routine monitoring of the evaporation pond leak detection systems at the Willow Creek Uranium Project has shown that Pond CR-2 at Christensen Ranch appears to have some potential leakage concerns. Due to the occurrence of fluid (water) in the leak detection system, water samples were obtained on March 7, 2013 from the leak detection system and the pond itself. Initial notification was conveyed to Ms. Linda Gersey of the US NRC and Mike Ploughe of the WDEQ-LQD via emails on March 14, 2013.

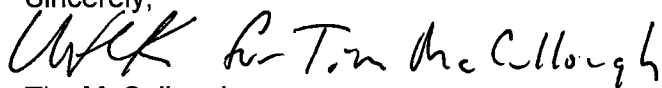
Although the comparison between the water quality in the leak detection system and the pond is not the same for several parameters (as would be expected if it was leakage from the pond), the occurrence of similar amounts of uranium between the pond and the water from the leak detection system (approximately 11 mg/L) provides evidence of a potential leak at the pond. There is no concern at this time that potential leakage at the pond is impacting the environment. In accordance with License Condition 11.4 the water in the leak detection system has been sampled and analyzed for chloride, conductivity, pH and uranium on a weekly basis since the condition was discovered.

The flow of plant waste water to Pond CR-2 was discontinued on March 7, 2013 after finding fluid in the leak detection system. Approximately 876,000 gallons of fluid (three vertical feet) was transferred to Pond CR-3. It should be noted that after approximately 610,000 gallons of fluid

(two vertical feet) was transferred from the pond, six small holes were identified in the pond liner. All of the holes appeared to have been caused by rodents chewing on the liner when the water level was lower. These holes have been repaired and the subsequent inspections of the pond have not identified any fluid in the leak detect tubes. This hopefully confirms that the water level of the pond had dropped below the potential source of the leak. Pond CR-2 has been placed back in operation and the leak detection system will continue to be monitored as the water level rises to ensure that the repairs to the pond liner were effective.

Please contact me should you have any questions regarding this report.

Sincerely,



Tim McCullough  
Manager Site SHE

cc: Donna Wichers  
Bill Kearney  
Larry Arbogast  
Barry Koch  
Mark Taylor; WDEQ-LQD  
NRC File; Spill Reports