

**CAMECO RESOURCES
CROW BUTTE OPERATION**



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

**(308) 665-2215
(308) 665-2341 – FAX**

August 23, 2013

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Attn: Document Control Desk, Deputy Director
Decommissioning and Uranium Recovery Licensing Directorate
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

Subject: Source Materials License SUA-1534
Docket No. 40-8943
Mechanical Integrity Testing (MIT) Failure at Well P-5338

Dear Deputy Director:

On August 22, 2013, during routine MIT, well number P-5338 in Mine Unit 10, Wellhouse 54 failed the MIT criteria at Crow Butte Resources, Inc. (CBR), d/b/a Cameco Resources – Crow Butte Operation mine site. A copy of the letter submitted to the Nebraska Department of Environmental Quality (NDEQ) detailing this MIT failure is enclosed. The copy is submitted in compliance with License Condition 12.2 of Source Materials License SUA-1534.

If you have any questions or concerns on this matter, please do not hesitate to call me at 308-665-2215 ext. 114.

Sincerely,

Larry Teahon
Manager, Safety, Health, Environment, and Quality

Enclosures: As stated.

cc: CBO - File
ec: CR - Cheyenne

FSME20

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

Dear Mr. Linder:

On August 22, 2013, during routine 5-year Mechanical Integrity Testing (MIT), well number P-5338 in Mine Unit 10, Wellhouse 54 failed the MIT criteria. Using isolation techniques, it was determined that the failure is the casing joint at the 320-foot level. Shar Sapp, of the NDEQ field office in Chadron and Ron Burrows, NRC Project Manager were notified concerning this well on August 22, 2013.

Based upon a review of the geophysical log for P-5338, it appears that the failed casing joint is still in the appetite zone of the Chadron Formation. Because P-5338 has been operated only as a production well and successfully passed a MIT on October 16, 2008, it is unlikely that any contamination has occurred. This information was reviewed with Shar Sapp and she concurred that the likelihood for contamination was minimal.

The nearest Shallow Monitor (SM) well to P-5338 is SM10-18. I have enclosed the latest results from this Shallow Monitors for your review.

At this time, Crow Butte intends to repair P-5338 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,

A handwritten signature in black ink, appearing to read "D. Pavlick", written in a cursive style.

Doug Pavlick
General Manager

Enclosures

CROW BUTTE RESOURCES, INC.



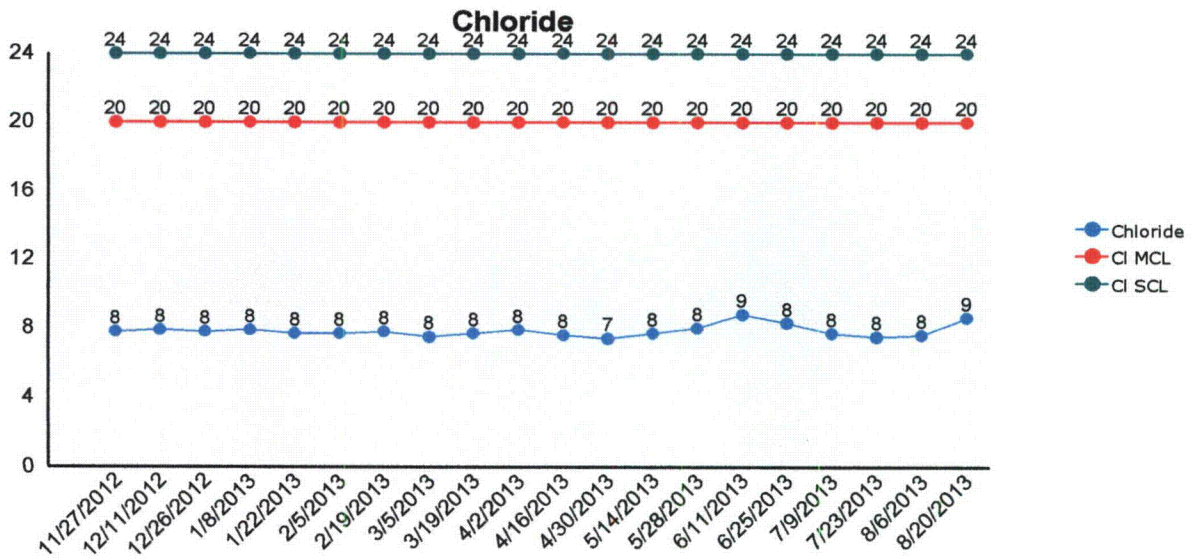
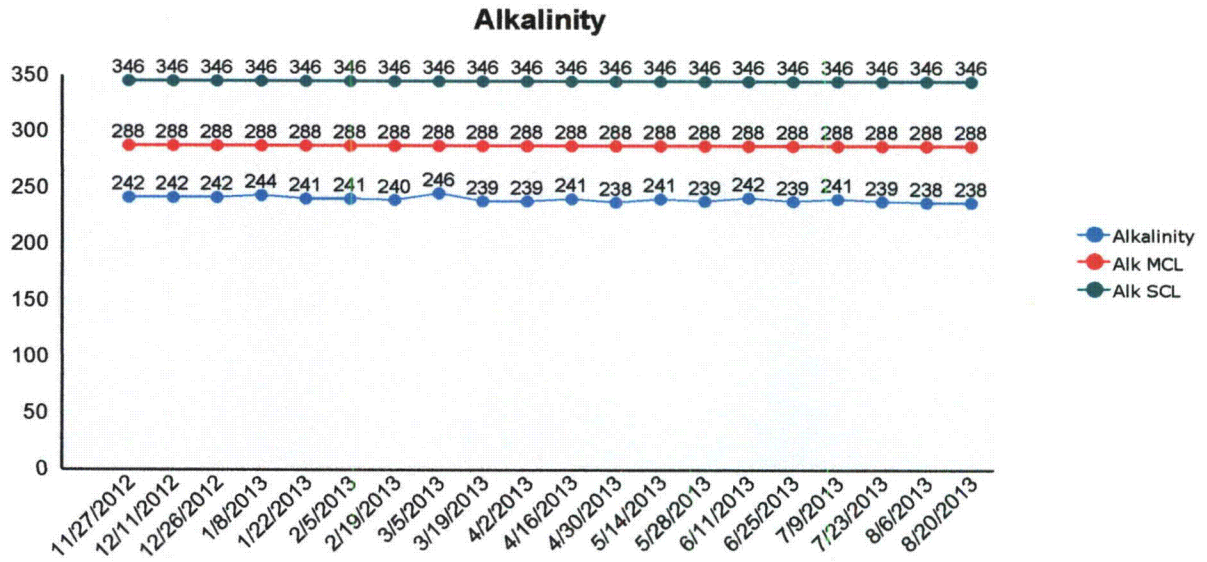
cc: Shar Sapp – NDEQ
Ron Burrows – NRC
CBO – File

ec: CR - Cheyenne

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SM10-018



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SM10-018

