



December 17, 2013

CERTIFIED MAIL # 7011 3500 0000 5274 2003

Mr. Robin Jones, District 1 Supervisor
Land Quality Division
Wyoming Department of Environmental Quality
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Excursion at Monitor Well DM-004, Cameco Resources, Permit No. 603

Dear Mr. Jones:

In accordance with Wyoming Department of Environmental Quality (WDEQ) – Land Quality Division (LQD) Chapter 11 regulations, Section 12(c)(ii), Section 8.4 of the Operations Plan for Permit 603, and NRC License Condition No. 12.1, Power Resources, Inc. d/b/a/ Cameco Resources (Cameco) is providing written notification that Monitor Well DM-004 went on excursion status December 11, 2013. Confirmation monitoring results were received on December 12, 2013. You and Ms. Pam Rothwell, WDEQ-LQD, were notified in person on December 13, 2013. Mr. Doug Mandeville from the NRC was also notified on December 13, 2013 by telephone.

A discussion, with both agencies, regarding the preliminary cause of the excursion was had at the time a verbal notification. Cameco expressed that the potential for this well to go on excursion was previously reported to the LQD April 26, 2013. The well is near Monitor Well DM-003 (excursion well) and is likely impacted by underground workings and the associated treatment currently taking place to restore the underground workings to mitigate the excursion at Well DM-003.

Analytical results on December 12, 2013 for the routine sample taken on December 11, 2013 indicated a potential exceedance in two of the three parameters (Chloride and Alkalinity). Cameco collected a confirmation sample from the monitor well and analyzed it with a quality assurance duplicate on December 12, 2013. Results of this laboratory analyses were received on December 13, 2013 and confirmed the exceedance of Upper Control Limit (UCL) parameters.

FSME20
ISME

Shown below are results of samples taken.

| Sample Date | Chloride (mg/L) | Alkalinity (mg/L CaCO₃) | Conductivity (µMhos/cm) |
|--------------------|----------------------------|---|------------------------------------|
| | UCL 18 | UCL 188 | UCL 962 |
| December 11, 2013 | 25 | 207 | 910 |
| December 12, 2013 | 23 | 205 | 863 |

Weekly samples will be collected to monitor the UCL constituents and uranium until the excursion is resolved. The excursion at Monitor Well DM-004 will be added to the monthly Excursion Report Summary and will be identified on the Cameco Resources site map.

Pursuant to WDEQ/LQD Chapter 11, Section 2 a duly authorized representative certification is attached.

Please contact me at (307) 358-6541 ext. 476 or email to Kenneth_Garoutte@cameco.com if you have any questions.

Respectfully,



Ken Garoutte
Safety, Health, Environment, Quality (SHEQ) Manager

KG/vg

Attachment: Duly Authorized Representative Certification

cc: File HUP 4.3.3.1
Doug Mandeville, NRC Certified Mail # 7011 3500 0000 5274 2010
Document Control Desk, NRC Certified Mail # 7011 3500 0000 5274 2027

ec: Cameco-Cheyenne

Duly Authorized Representative Certification

I certify under penalty of law that this document and all attachments were prepared under my direction and supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for known violations.

For B.B. Cyth *12/17/13*
Duly Authorized Representative: Bernard Bonifas Date: December 17, 2013