

CAMECO RESOURCES

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March 21, 2014

CERTIFIED MAIL# 7013 1090 0001 7751 1517

Robin Jones, District 1 Supervisor Land Quality Division Wyoming Department of Environmental Quality Herschler Building 122 West 25th Street Cheyenne, WY 82002

Release of solutions, Written Notification Cameco Resources, Highland Uranium Project, Permit 633

Dear Mr. Jones:

In accordance with Wyoming Department of Environmental Quality (WDEQ) regulation and the NRC License SUA 1548, Power Resources, Inc. d/b/a Cameco Resources (Cameco) notified Ms. Pam Rothwell of Wyoming Department of Environmental Quality, Land Quality Division (LQD) via voicemail, and also by voicemail, Mr. Doug Mandeville, Nuclear Regulatory Commission (NRC), on March 16, 2014, that a release of mining fluid occurred at Smith Ranch-Highland Uranium Project in Converse County, Wyoming. A verbal notification was conducted with Mr. Joe Hunter of Wyoming Department of Environmental Quality, Emergency Spill Response Coordinator on March 16, 2014. The release was recorded in the WDEQ Report a Spill or Release online database, Incident Id: 140318-141316.

A release estimated at 8916 gallons of injection fluid occurred in an area near Well ID II-011on Permit 633 at approximately 5:00 pm on March 16, 2014. A hose was not connected to the well head which resulted in the release. The 8916 gallons that was released flowed in a northeasterly direction across relatively flat ground, and from there it traveled a short distance northward to a draw where it came to a stop. A sample of the water was taken; the uranium content was at 1.0 ppm. Upon discovery by an operator, the release was shut down.

The perimeter of the release was mapped using a hand held GPS device. A partial scan of the area south of the fenceline was conducted for μR readings. Three points were scanned in the release area and one point was scanned away from the release area for a background reading. The readings were:

Background: 14μR Scan Point 1: 32μR

FSME 20

Scan Point 2: 14μR Scan Point 3: 14μR

These scan points are shown on the attached map. Soil samples were taken at each sample point and will be submitted for analytical testing. Further scans of the northern area will be conducted along with soil samples.

The released solution is not considered hazardous material under RCRA and is not reportable under SARA; the area is not considered hazardous. The release constitutes 11e2 Material as defined by the NRC "...tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content.", and is therefore regulated under the NRC. The release will be assessed at the time of decommissioning according NRC rules and regulations.

The release was located in the NE ¼ of the SW ¼ in Section 24, T36N, R73W, of Converse County, Wyoming. A field map is attached showing approximate location of the release, and a vicinity map showing regional topography. The release will be updated into the site base map for inclusion in the Annual Report.

Please contact me at 307-358-6541, ext. 476 or <u>Kenneth_Garoutte@cameco.com</u> if you have questions.

Respectfully,

Ken Garoutte

Manager of Safety, Health, Environment and Quality (SHEQ)

KG/nsb

Attachments:

Location Map

Regional Topography Map

cc:

File SR 4.3.3.1

Special Volume: Wellfield Release, Spill Reports

Mr. Doug Mandeville, NRC Certified Mail # 7013 1090 0001 7751 1531 Document Control Desk, NRC Certified Mail # 7013 1090 0001 7751 1548 Mr. Joe Hunter – WDEO Certified Mail # 7013 1090 0001 7751 1555

ec: Cameco Resources-Cheyenne



