Cameco

CAMECO RESOURCES
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August 26, 2014

CERTIFIED MAIL # 7011 3500 0000 5274 1860

Mark Rogaczewski, District 3 Supervisor
Wyoming Department of Environmental Quality
Land Quality Division
2100 West 5th Street
Sheridan, WY 82801

Release of Solutions Report, Mine Unit K-South, Header House K-1,
Cameco Resources, Smith Ranch Highland Uranium Project, Permit 633
NRC Source Material License SUA-1548

Dear Mr. Rogaczewski:

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) verbally notified Mr. Miles Bennett of Wyoming Department of Environmental Quality, Land Quality Division (LQD) on August 19, 2014, and Mr. Doug Mandeville, Nuclear Regulatory Commission (NRC), on August 20, 2014, that a release occurred at Smith Ranch-Highland Uranium Project in Converse County, Wyoming. Mr. Joe Hunter of Wyoming Department of Environmental Quality, Emergency Response Coordinator was contacted on August 19, 2014. The release is recorded in the WQD Report a Spill or Release online database, Incident Id: 140819-1357.

Cameco Resources has determined that the release was approximately 9,074 gallons of injection fluid. The release was determined to be the result of a failure of a molded fitting located at a bellhole servicing header house K-1. The fluid released flowed from the point of failure to the surface and into a ditch that runs parallel to a road. It did not enter waters of the state. Upon discovery, the main trunkline was immediately shut down. The perimeter of the release was mapped using a GPS device. The bellhole junction where the fitting failed has been blanked off and injection to the header house K-1 will be shut down until restoration commences for the wellfield.

Samples of the fluid released were taken on August 19, 2014 and analyzed for uranium. The result of the analysis showed uranium content of 2.7 ppm. 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*

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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 NW ¼, in Section 30, T36N, R73W, of Converse County, Wyoming. A field map is attached showing location and extent of the release. 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 Kenneth_Garoutte@cameco.com if you have questions.

Respectfully,

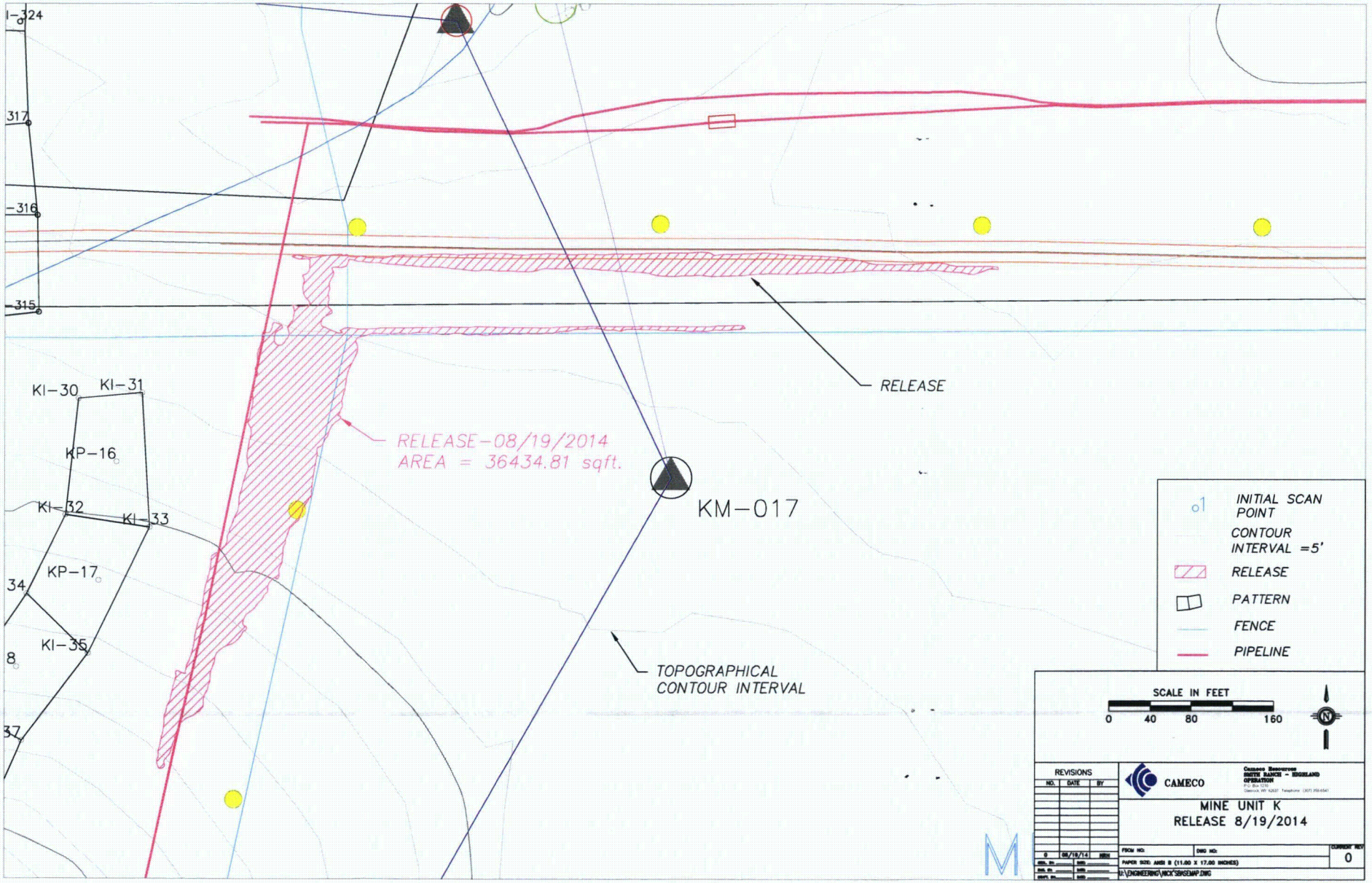
Ken Garoutte
Manager of Safety, Health, Environment and Quality (SHEQ)

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 1853
Document Control Desk, NRC Certified Mail # 7013 1090 0001 7751 3177
Mr. Joe Hunter – Water Quality Division Certified Mail # 7013 1090 0001 7751 3160

ec: Cameco Resources-Casper



I-324
317
-316
-315
KI-30
KI-31
KP-16
KI-32
KI-33
KP-17
34
KI-35
8
37
RELEASE
RELEASE-08/19/2014
AREA = 36434.81 sqft.
KM-017
TOPOGRAPHICAL
CONTOUR INTERVAL
INITIAL SCAN POINT
CONTOUR INTERVAL =5'
RELEASE
PATTERN
FENCE
PIPELINE
SCALE IN FEET
0 40 80 160
REVISIONS
NO. DATE BY
0 08/19/14 NRH
CAMECO
Cameco Resources
SMITH RANCH - HIGHLAND OPERATION
MINE UNIT K
RELEASE 8/19/2014
FSCM NO:
DWG NO:
CURRENT REV
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