



September 2, 2015

Deputy Director, Division of Decommissioning,
Uranium Recovery, and Waste Programs
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Mailstop T8 F5
11545 Rockville Pike
Two White Flint North
Rockville, MD 20852-2738.

CAMECO RESOURCES

Permitting & Licensing
550 N Poplar St. Ste. 100
Casper, WY
82601 USA

Tel: (307) 237-2128
Fax: (307) 237-2142
www.cameco.com

RE: NRC License SUA-1548 Smith Ranch-Highland Uranium Project Request For
Information Concerning the Ponds at the Highland Facility

Dear Deputy Director:

Power Resources, Inc. d/b/a Cameco Resources (Cameco) is herein providing a response to the U.S. Nuclear Regulatory Commission's (NRC's) letter dated June 25, 2015, regarding two ponds at the Highland Uranium Project (HUP).

Since being acquired from Exxon, the two ponds located at the Highland Central Processing Facility (CPF) have been used as catchment basins for storm water runoff from the CPF area. The first (unlined) pond (Highland Reservoir No. 2) serves as the primary catchment basin for storm water runoff control and the second (lined) pond serves as a secondary catchment basin. This secondary catchment basin was originally used by Exxon as a solvent overflow pond from their conventional milling operation.

Based on the gamma radiation surveys of the ponds conducted in July of this year the secondary catchment basin contains material with elevated gamma while the primary catchment basin only exhibits background levels of gamma radiation. Cameco assumes that the elevated gamma levels evident in the secondary catchment basin may be the result of residual contamination from previous operator's use of the pond. Sediment samples have been collected from each basin and have been submitted to Energy Laboratories for analyses. When the analytical results are available Cameco will submit those to the NRC.

The pond designated as Highland Reservoir No.1 and associated infrastructure will continue to be needed for storm water management. Based on the gamma surveys Cameco has determined the secondary containment basin should be decommissioned and reclaimed. The primary containment basin will have sufficient capacity to serve as the only catchment basin for storm water runoff from the CPF area. As noted by the

NUCLEAR. The Clean Air Energy.

NRC in the January 14, 2014 letter, these ponds are located inside of a fenced area with a locked gate. Cameco will commit to decommissioning the secondary catchment basin in a timely manner as required by 10 CFR 40.42.

It was also determined that the surety estimate does not include the costs associated with decommissioning the ponds. The 2015-2016 surety estimate has been submitted to the Wyoming Department of Environmental Quality (WDEQ) and the NRC for review and comment. Before that surety estimate is finalized Cameco commits to including the cost of decommissioning the ponds in a manner similar to the other ponds in use at the Smith Ranch Highland project.

If you have questions or need additional information, please contact me directly at (307) 333-7665.

Sincerely,



Larry McGonagle
SHEQ Manager - Division