



40-8964

October 6, 2016

CERTIFIED MAIL # 7015 3010 0002 0309 9022

Mr. Robin Jones, District 1 Supervisor
Land Quality Division
Wyoming Department of Environmental Quality
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Cheyenne, Wyoming 82002

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Missed Sampling of Production Monitor Wells in Mine Unit D/D-Ext, Cameco Resources, Smith Ranch-Highland Uranium Project, Permit 633

Dear Mr. Jones:

Power Resources, Inc. d/b/a/ Cameco Resources (Cameco) is writing this letter to notify the Wyoming Department of Environmental Quality (WDEQ) – Land Quality Division (LQD) of skipped sampling of fourteen (14) Production Monitor Wells (MP-wells) in Mine Unit D/D-Ext.

The MP-wells in Mine Unit D/D Ext needed to be sampled by the end of September to meet the requirements of Section 2.2.1 of the Reclamation Plan of Permit 633, which states *"To track progress of restoration, the MP-wells, in areas where active restoration activities are occurring, will be sampled and analyzed for conductivity, chloride and uranium once every two months, with at least 45 days between sampling events."* Section 2.2.1 goes on to state *"In the event of unforeseen conditions (such as snowstorms, flooding, equipment malfunction, etc.) occur, the LQD will be contacted if the well(s) cannot be monitored within seven days of the target sampling date."*

Due to safety concerns, the headers in Mine Unit D/D Ext header houses are being re-built. As a result, no activity is possible in the header houses, which included sampling of MP-Wells. The possibility of this event occurring was discussed with LQD in a meeting held at the Cameco Smith Ranch-Highland Facility on September 21, 2016. Header re-builds in Mine Unit D/D-Ext are a priority and will be completed as parts and material are available.

It is important to note that MP-well sampling is for the purpose of tracking restoration progress and not used for excursion monitoring. Missed sampling does not create a risk to the environment, and groundwater restoration activities in Mine Unit D/D-Ext are not impacted. The re-builds of the headers in Mine Unit D/D-Ext is anticipated to be completed in October, and sampling in November will be conducted as scheduled.

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Please contact me at 307-358-6541, ext. 476 or Kenneth.Garoutte@cameco.com if you have questions.

Respectfully,



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

KG/vg

cc: File SR 4.3.3.1
Mr. Doug Mandeville, NRC - CERTIFIED MAIL # 7015 3010 0002 0309 9039
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cc: Cameco-Casper