



April 2, 2018

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Deputy Director
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CAMECO RESOURCES

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Source Material License SUA-1548; Notification of Cessation of Production for Smith Ranch-Highland Uranium Project and North Butte ISR Project, Cameco Resources

Dear Deputy Director:

On February 5, 2018, Cameco Resources (Cameco) announced its plan to cease production at its U.S. operations due to continued low uranium prices. This letter is intended to provide the Nuclear Regulatory Commission (NRC) with information on what steps have been taken, and will be taken in the future, as a result of this action.

As of February 8, 2018, the Smith Ranch-Highland Mine had shut off all production and injection flow to Mine Units 3, 7, 9, 10, 10 Extension, 15, 15A, and J. Each of these mine units continue to operate a limited number of wells to maintain a small "bleed" flow for control of mining fluids. There has been no change to the restoration plans at Smith Ranch-Highland and restoration activities will continue.

As of February 13, 2018, the North Butte mine had shut off all production and injection flow to Mine Units 1 and 2. Both of these mine units continue to operate a limited number of wells to maintain a small "bleed" flow for control of mining fluids.

Cameco continues to perform all required environmental and health physics monitoring as required by our current license. The restoration effort will take some time to complete and will result in the production and transportation of a small amount of uranium and $11e2$ byproduct material that is produced as a byproduct of the restoration process.

Within the next 21 months, Cameco will submit Alternate Decommissioning Schedules for Smith Ranch-Highland and North Butte. We will continue to comply with all NRC approved restoration plans and decommissioning schedules until a new alternate decommissioning schedule has been approved. All production equipment will remain in standby to provide the option to restart full operations in the future should market conditions warrant. The above mentioned Alternate Decommissioning Schedule will include a request to defer equipment decommissioning and also an integrated restoration schedule for all mine units.

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Cameco intends to submit a request to change the NRC Licenses for Smith Ranch-Highland and North Butte to Possession Only Licenses in the second half of 2018. We will provide updates to the NRC regarding more specific timing as we progress through the above mentioned tasks.

Please contact me at 307-358-6541 or email Lawrence_Reimann@cameco.com if you have any questions or need additional clarification.

Respectfully,



Larry Reimann
Manager, Compliance & Licensing

LR/lr

cc: File SR 4.6.4.1 and NB 4.6.4.1
Document Control Desk, NRC, Washington, DC 20555-0001 – CERTIFIED MAIL # 7016 2710 0000 7133 0703
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cc: Cameco Distribution