

July 29, 2011

Mr. Lowell Spackman, District 1 Supervisor
Land Quality Division
Wyoming Department of Environmental Quality
Herschler Building
122 West 25th Street
Cheyenne, WY 82002

CAMECO RESOURCES

Smith Ranch-Highland
Operation
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www.cameco.com

CERTIFIED MAIL #70100780000160019824 RETURN RECEIPT REQUESTED

RE: Release of Solutions Report, Cameco Resources, Smith Ranch Highland Uranium
Project, Permit 633

Dear Mr. Spackman:

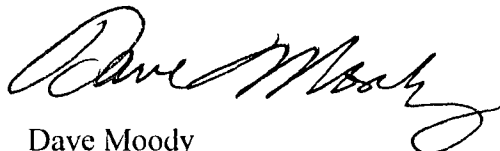
In accordance with WDEQ regulation and the NRC License SUA 1548, Power Resources, Inc. d/b/a Cameco Resources (CR) is herein providing written notification of a release of solution that occurred at Smith Ranch Highland Uranium Project in Converse County, Wyoming on July 22, 2011. Verbal notifications were made to Pam Rothwell of Wyoming Department of Environmental Quality-Land Quality Division (WDEQ-LQD), Mr. Doug Mandeville of the Nuclear Regulatory Commission (NRC), and voice mail left with Joe Hunter of WDEQ-Water Quality Division (WDEQ-WQD) on the morning of July 25, 2011. The release was also recorded on the WDEQ-WQD Report A Spill, Release, Complaint database on July 27, 2011.

At approximately 9 am on July 22, 2011, an estimated 53 gallons of injection fluid was released from Well No. 11-179 located near header house 1-5 in Mine Unit 1. The well was shut off for repairs to the wellhead. The release resulted when the well was turned back on before repairs were completed. The corrective action taken for this condition was to immediately shut off the well. The result of the corrective action taken was to finish the repair and return the well back into service.

The release is located in the SENE ¼¼ of Section 36, T-36N, R-74W of Converse County, Wyoming. A field map is attached. The release will be updated into the site base map for inclusion in the Annual Report. A solution sample was collected and resulting analysis indicated 0.8 ppm U₃O₈ (0.67 ppm U-nat). A gamma survey of the release area has been conducted using a MicroR meter. In accordance to NRC guidelines and Cameco's SOP on spills, soil samples (0-6 inches) have been collected and sent to Energy Labs for analysis. The field map attached shows the point locations of the soil samples taken.

Please contact Larry Teahon @ 307-358-6541, ext 435 or Larry_Teahon@cameco.com if you have questions.

Respectfully,

A handwritten signature in black ink, appearing to read "Dave Moody". The signature is fluid and cursive, with the first name "Dave" being more prominent than the last name "Moody".

Dave Moody
Wellfield Operations Manager

DM/kg

Attachments: Map

cc: Mr. Doug Mandeville – NRC Project Manager (2 copies)
Mr. Joe Hunter – WDEQ, Water Quality Division
File SR 4.3.3.1

ec: Cameco Resources-Cheyenne

HEADER 5






07/22/2011
EXTENT OF SPILL
AREA=423 SQFT

HEADERHOUSE 5

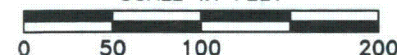
- SAMPLE POINT 1

- BACKGROUND SAMPLE

-WELL FIELD
ACCESS ROAD

-  WELL FIELD WELLS
-  SAMPLE POINTS
-  SPILL
-  PATTERN
-  FENCE

SCALE IN FEET

[illegible]

CAMECO

Cameco Resources
SMITH RANCH - HIGHLAND
OPERATION
P.O. Box 1210
Glenrock, WY 82637 Telephone: (307) 358-6541

MINE UNIT 1 HEADER HOUSE 5
SPILL LOCATION
07-22-2011

FSCM NO:	DWG NO:	CURRENT RE
PAPER SIZE: ANSI EXPAND A (8.50 X 11.00 INCHES)		
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