

June 22, 2012

Mr. Josh Leftwich  
Director of Safety, Health, Environmental  
and Quality  
Cameco Resources  
2020 Carey Avenue, Suite 600  
Cheyenne, WY 82001

SUBJECT: FEBRUARY 8, 2012 REQUEST FOR AN EXEMPTION FROM THE  
REQUIREMENTS OF 10 CFR 40.42, AS APPLIED TO ALTERNATE  
GROUNDWATER RESTORATION SCHEDULES FOR CAMECO'S CURRENT  
AND FUTURE WELLFIELDS AT CROW BUTTE (TAC NO. J00668)

Dear Mr. Leftwich:

In a letter dated February 8, 2012, Crow Butte Resources, Inc., doing business as Cameco Resources (Cameco), requested that the U.S. Nuclear Regulatory Commission (NRC) grant a specific exemption pursuant to 10 CFR 40.14(a) from the requirements of 10 CFR 40.42, as applied to alternate groundwater restoration schedules for Cameco's current and future wellfields at its Crow Butte facility.

The staff has performed a review of your submittal and has determined that it cannot perform a detailed technical analysis of the request at this time as the request does not fully address the requirements of 10 CFR 40.14(a). As required by 10 CFR 40.14(a), and as discussed in staff guidance, NMSS Policy and Procedures Letter 1-58, "Processing of Exemptions for Material Licenses and Certificate Holders," (NRC's Agencywide Documents Access and Management System (ADAMS) Number (ML11349A312)), the exemption request must contain the following:

- A description of how the exemption, if granted, would not endanger life, property, or common defense and security.
- A description of how the exemption, if granted, would be in the public interest.

In order for the NRC to make the determinations required in 10 CFR 40.14(a), the information above should be provided along with the following information. Sufficient detail such that the staff will be able to determine whether Cameco has identified:

- Compensatory safety measures as necessary to provide a level of health and safety equivalent to the regulation from which the exemption is being requested; and
- All reasonable alternatives for complying with the regulation that the licensee has considered prior to submittal of the exemption request.

In considering any future submittals related to this exemption request, the staff would consider, in accordance with 10 CFR 40.42(i)(5), site-specific factors potentially affecting the timely restoration of groundwater. In that regard, the staff notes that despite several years of effort to restore groundwater at the Crow Butte facility, only one wellfield restoration has been approved by the NRC. Therefore, in any future submittals supporting an exemption, Cameco should also describe how, in granting this exemption, the goal of timely restoration would be met.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's ADAMS. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions concerning the above, please contact John Hayes at (301) 415-5928 or via email at [John.Hayes@nrc.gov](mailto:John.Hayes@nrc.gov).

Sincerely,

**/RA/**

Keith I. McConnell, Deputy Director  
Decommissioning and Uranium Recovery  
Licensing Directorate  
Division of Waste Management  
and Environmental Protection  
Office of Federal and State Materials  
and Environmental Management Programs

Docket No.: 40-8943  
License No.: SUA-1543

cc: Larry Teahon, Cameco Resources  
Michael Linder, Nebraska DEQ

In considering any future submittals related to this exemption request, the staff would consider, in accordance with 10 CFR 40.42(i)(5), site-specific factors potentially affecting the timely restoration of groundwater. In that regard, the staff notes that despite several years of effort to restore groundwater at the Crow Butte facility, only one wellfield restoration has been approved by the NRC. Therefore, in any future submittals supporting an exemption, Cameco should also describe how, in granting this exemption, the goal of timely restoration would be met.

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Sincerely,

**/RA/**

Keith I. McConnell, Deputy Director  
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cc: Larry Teahon, Cameco Resources  
Michael Linder, Nebraska DEQ

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