

June 22, 2012

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

SUBJECT: MARCH 15, 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 SMITH RANCH (TAC NO. J00667)

Dear Mr. Leftwich:

In a letter dated March 15, 2012, Power 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 from the requirements of 10 CFR 40.42, as applied to alternate groundwater restoration schedules for Cameco's current and future wellfields at its Smith Ranch 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 and sufficient to ensure 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 the exemption request, the staff notes that it would consider, in accordance with 10 CFR 40.42(i)(5), site-specific factors potentially affecting the timely restoration of groundwater. In that regard, staff observes that despite years, and in some cases more than a decade of effort on groundwater restoration for mine units at the Smith Ranch facility, only one mine unit restoration has been approved by the NRC. The staff further notes that, with respect to the Smith Ranch facility, restoration has not proceeded in a timely way, equipment necessary for groundwater restoration has been removed from mine units before restoration has been completed, and restoration plans have not been submitted in a timely fashion. Further, past restoration actions at the Smith Ranch facility have been the subject of enforcement action by the State of Wyoming. In light of this history, in any future submittals regarding the exemption request, 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 call John Hayes at (301) 415-5928 or via email at 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.: 40-8964
License No.: SUA-1548

cc: Pam Rothwell, WDEQ

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