

June 11, 2012

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

SUBJECT: SUMMARY OF JUNE 5, 2012, TELECONFERENCE REGARDING THE
CROW BUTTE RESOURCES, INC., CROW BUTTE LICENSE RENEWAL
(TAC J00555)

Dear Mr. Leftwich:

On June 5, 2012, U.S. Nuclear Regulatory Commission (NRC) staff and representatives of Crow Butte Resources, Inc. (CBR) held a teleconference to discuss issues associated with the finalization of the third draft license for the Crow Butte license renewal (NRC's Agencywide Documents Access and Management System (ADAMS) No. ML120680574). The purpose of this teleconference was to obtain agreement from CBR on the draft license conditions (LCs).

As a result of this discussion, CBR agreed to all but one LC. CBR did not agree to LC 11.10 (ML120680574) that would require CBR to increase the frequency of measuring and recording fluids associated with their Evaporation Pond Onsite Inspection Program from weekly to daily. The minutes of this meeting are enclosed and contain a brief discussion on the issues presented and a brief synopsis of responses by CBR.

Within 14 days of receipt of this letter, please either provide the information identified in the meeting summary pertaining to LC 11.10 (evaporation pond inspection frequency) or inform us of the date you expect to provide the information. At this point in the review process, NRC staff has presented all license conditions to CBR regarding the Crow Butte license renewal. If you have any questions, please contact me at 301-415-6443 or, by e-mail, at ronald.burrows@nrc.gov.

J. Leftwich

2

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 ADAMS. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

/RA/

Ronald A. Burrows, Project Manager
Uranium Recovery Licensing Branch
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

Enclosure: Meeting Summary

cc: Paul Goranson, CBR
Michael Linder, NDE

J. Leftwich

2

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 ADAMS. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

Ronald A. Burrows, Project Manager
Uranium Recovery Licensing Branch
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

Enclosure: Meeting Summary

cc: Paul Goranson, CBR
Michael Linder, NDE

DISTRIBUTION: BSpitzberg, RIV LGersey, RIV KMcConnell BVonTill

ML12159A504

Office	DWMEP	DWMEP	DWMEP	DWMEP	DWMEP
Name	RBurrows	DMandeville	EStriz via email	Achten for BGarrett	RBurrows
Date	6/07/12	6/08/12	6/07/12	6/ 08/12	6/11/12

OFFICIAL RECORD COPY

MEETING SUMMARY

DATE: June 5, 2012

TIME: 1:00 p.m. – 2:00 p.m.

PLACE: U.S. Nuclear Regulatory Commission (NRC)
Two White Flint North
Room T7A3
Rockville, Maryland

PURPOSE: To discuss issues related to finalizing Crow Butte Resources, Inc.'s (CBR's) Crow Butte in situ recovery (ISR) draft license for its license renewal.

ATTENDEES: SEE ATTACHED ATTENDEE LIST

BACKGROUND:

The purpose of this meeting was to discuss issues related to CBR's Crow Butte ISR license renewal. The meeting was publicly noticed on the NRC webpage on May 15, 2012.

DISCUSSION:

The teleconference started at 1:00 p.m. eastern time in room T7A3. An opening statement was presented by Mr. Ronald A. Burrows, NRC. The meeting continued with a discussion of issues related to CBR's Crow Butte ISR draft license for its license renewal. Attached is a detailed summary of this discussion.

ACTIONS:

One draft license condition pertaining to the frequency of pond inspections remains open. CBR will provide additional written information to the NRC staff detailing their point of view for the staff's evaluation. For the specifics on this action, see the attached summary.

ATTACHMENTS:

1. Attendee List
2. Meeting Agenda
3. NRC and Crow Butte Resources, Inc.
Detailed Discussion Summary

Enclosure

MEETING ATTENDEES

June 5, 2012

Teleconference to Resolve Remaining Issues on Draft Crow Butte Renewal License

NAME	AFFILIATION	PHONE NUMBER	EMAIL
Ron Burrows	USNRC	301-415-6443	Ronald.Burrows@nrc.gov
James Webb	USNRC	301-415-6252	James.Webb@nrc.gov
Tom Lancaster	USNRC	301-415-6563	Thomas.Lancaster@nrc.gov
Doug Mandeville	USNRC	301-415-0724	Doug.Mandeville@nrc.gov
Nathan Goodman	USNRC	301-415-2703	Nathan.Goodman@nrc.gov
Elise Striz	USNRC	301-415-0708	Elise.Striz@nrc.gov
Brett Klukan	USNRC	301-415-3629	Brett.Klukan@nrc.gov
The following participated via telephone:			
Larry Teahon	Cameco Resources		
Rhonda Grantham	Cameco Resources		
Jim Stokey	Cameco Resources		
John Schmuck	Cameco Resources		
Josh Leftwich	Cameco Resources		
Chris Pugsley	Thompson & Pugsley		
Tyson Smith	Winston & Strawn		

Attachment 1

MEETING AGENDA

Cameco Resources/Crow Butte Operations
June 5, 2012

MEETING PURPOSE: Meeting to Resolve Remaining Issues on Draft Crow Butte Renewal License

MEETING PROCESS:

<u>Time</u>	<u>Topic</u>	<u>Lead</u>
1:00 p.m.	Introductions	All
	Discussion of Draft Renewal License Conditions	All
	Summary of Action Items	Moderator
	Public Comment/Questions	Moderator
2:00 p.m.	Adjourn	

NRC and Crow Butte Resources Inc.'s (CBR's) Detailed Discussion Summary

I. Discussion of Third Draft License (ML120680574)

a. NRC staff requested CBR's agreement on those license conditions where CBR had no comment or where NRC staff previously accepted CBR's changes, as documented in CBR's April 19, 2012 response submittal (ML121170499). These license conditions include those not listed in item b in the next paragraph.

CBR Response Summary: CBR agrees with those license conditions.

b. NRC staff requested CBR agreement on those license conditions that either staff or CBR provided comments/clarification to questions/comments from the other party, as documented in CBR's April 19, 2012, response submittal (ML121170499). These included the following license conditions: 9.5, 10.6, 10.7, 11.3, 11.9, 11.10, 11.11, 11.12, 11.13, 11.14, and 11.15.

CBR Response Summary: CBR agreed to all noted license conditions except 11.10 regarding evaporation pond inspection frequency.

Additional details on license condition 11.10 discussion:

Staff is proposing to increase the inspection frequency of the checks to the leak detection system from weekly to daily.

Staff has identified several reasons for the proposed change:

- Applicant has not demonstrated that weekly inspections will provide an adequate level of protection.
- Staff reviewed leak history in ponds at CBR and has observed an increase in frequency of leaks starting in 2009 (see Table below).
- Leaks detected with no obvious visual tears in liner, leak is isolated by lowering water level in the pond (June 11, 2010 leak and March 24, 2010 leak are examples).
- Primary liner is the first line of defense; extra attention is warranted to identify potential problems early, especially as liner ages.
- Weekly check of leak detection system is not consistent with updated version of Regulatory Guide 3.11.

Table – Summary of reported pond leaks

Pond	Date Detected	Date Terminated	Monitoring Well Detection	Corrective Actions Complete	Document Accession Number
1	6/1/2011	6/22/2011	No		ML11187A319
3	3/9/2011	Note ¹	No		ML11109A095
3	6/11/2010	Note ¹	No		ML102310252
4	2/24/2010	Note ¹	No		ML101260026
4	12/31/2009	2/31/2010	No	Fixed Primary Liner	ML100470068
4	6/18/2009	7/14/2009	No	Fixed Primary Liner	ML091740085
1	6/4/2009	7/1/2009	No	Fixed Primary Liner	ML091960467
4	5/5/2006	6/1/2006	No	Fixed Primary Liner	ML061780355
1	5/14/2004	7/27/2004	No	Fixed Primary Liner	ML042400318
1	5/6/2003	5/31/2003	No	Fixed Primary Liner	ML031710020
1	8/20/2002	9/12/2002	No	Fixed Primary Liner	ML022770139
1	4/26/2001		No	Determined No Leak	ML012770257
1	6/9/2000	7/15/2000	No	Fixed Primary Liner	ML003781828
4	5/19/2000	8/28/2000	No	Fixed Primary Liner	ML003781911
3	8/24/2000	10/18/2000	No	Fixed Primary Liner	ML003763779

Source: ADAMS as of December 14, 2011

¹Note : Subsequent to the discovery of the potential leak, visual inspections did not identify a breach or tear in the upper liner. A contractor continues to monitor the underdrain level and inspect the upper liner for tears.

CBR Action Required: CBR will provide additional written information to the NRC staff detailing their point of view for the staff's evaluation. As indicated in the cover letter transmitting this summary, NRC staff is requesting this information be provided within 14 days of receipt of this letter

II. **Discussion of Newly Identified License Condition**

NRC staff presented CBR with an additional license condition that was not previously discussed. This license condition is as follows:

If hydrogen sulfide is used, the storage and handling procedures to prevent impacts to radiological and worker safety shall be provided to the NRC for review and approval.

CBR Response Summary: CBR agrees with this license condition.

III. **Discussion of Administrative Changes to Conditions in Third Draft License (ML120680574)**

NRC staff presented CBR with several administrative changes to the third draft license (ML120680574) to provide clarification. These changes include the following:

License Condition 9.2 – This license condition will be revised as follows:

The licensee shall conduct operations in accordance with the commitments, representations, and statements contained in the license application dated November 27, 2007 (ADAMS package ML073480264), which is supplemented by submittals dated August 28, 2008, May 12, 2009, July 13, 2009, September 17, 2010, September 28, 2010, and February 8, 2012 **and any commitments submitted for verification specified in this license.** The approved application, **and** supplements, **and information submitted for verification** are hereby incorporated by reference, except where superseded by license conditions below.

Whenever the word "will", **~~or~~** "shall", **or** "would" is used in the above referenced documents, it shall denote a requirement.

License Condition 11.1 B) – This license condition will be revised as follows:

A semi-annual report that discusses: status of well fields in operation (including last date of lixiviant injection), **progressstatus** of well fields in restoration, status of any long term excursions and a summary of MITs during the reporting period. This report shall be submitted to NRC within 60 days following completion of the reporting period.

License Condition 11.11 – This license condition will be revised as follows:

The licensee shall develop a survey program for beta/gamma contamination for personnel ~~contamination-exiting~~ from restricted areas, and beta/gamma contamination in unrestricted and restricted areas that will meet the requirements of 10 CFR Part 20, Subpart F and submit to NRC for review and written verification.

CBR Response Summary: CBR agrees with these changes to the license conditions.

IV. Working definition of “verification”

NRC staff presented CBR with a working definition of “verification” as follows:

Verification is the documentation, typically by letter, of NRC staff’s review and acceptance of a particular aspect of a license based on information and commitments submitted to the staff from the licensee. When verification is used instead of a license amendment, the bases for staff’s acceptance (commitments, etc.) remain in effect until revised by the licensee and verified by NRC staff.