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CAMECO RESOURCES

Smith Ranch-Highland
Operation

Mail:

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82637 USA

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August 15, 2012

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

CERTIFIED MAIL # 7011 0470 0001 0202 2283 RETURN RECEIPT REQUESTED

RE: Release of Solutions Report, Header House F-38, Mine Unit F, Cameco Resources, Smith Ranch Highland Uranium Project, Permit 603

Dear Mr. Spackman:

In accordance with WDEQ regulation and the NRC License SUA 1548, Power Resources, Inc. d/b/a Cameco Resources (Cameco) verbally notified via telephone Ms. Pam Rothwell of Wyoming Department of Environmental Quality, Land Quality Division (LQD) and Mr. Doug Mandeville, Nuclear Regulatory Commission (NRC), on August 10, 2012, that a release occurred at Smith Ranch-Highland Uranium Project in Converse County, Wyoming on March 9, 2012. The release was also recorded in the WQD Report a Spill or Release online database, Incident Id: 120810-075357.

Approximately 1202 gallons was released at injection wells FI-1055 and FI-1056 when equipment failure of the wellheads occurred. When the release was discovered, the header house was shutdown stopping all injections wells. A vacuum truck was dispatched and recovered approximately 400 gallons of the pooled fluid. Cameco is inspecting wellheads to all other operating injector wells in Mine Unit F in response to the incident. All operating injector well wellheads in Mine Unit F were modified to eliminate the flanged connection on the wellhead in 2011 prior to the wells being placed back into production.

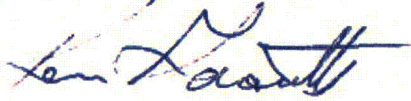
The release was located in the NE $\frac{1}{4}$ of SW $\frac{1}{4}$, Section 21, T36N, R73W, of Converse County, Wyoming. A field map is attached. The release will be updated into the site base map for inclusion in the Annual Report.

Soil samples will be taken at 0-2" and 0-6". Cameco will provide a follow-up letter to LQD with the soil sample analyses.

FSMEZO

Please contact me at 307-358-6541, ext. 476 or Kenneth_Garoutte@cameco.com if you have questions.

Respectfully,



Ken Garoutte
Safety, Health, Environment and Quality (SHEQ) Manager

KG/vg

Attachments: Map

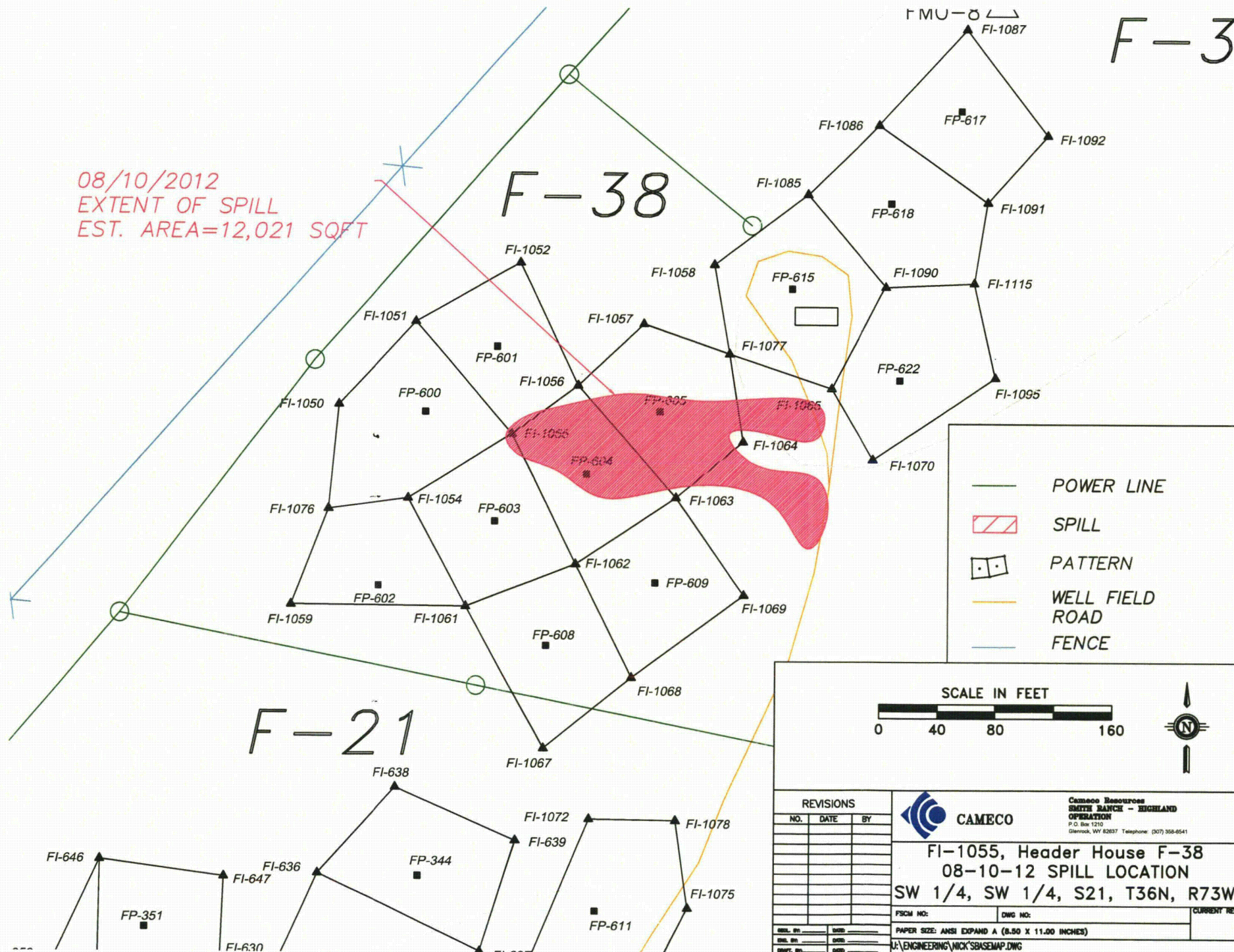
cc: File HUP 4.3.3.1
Special Volume: Wellfield Release, Spill Reports
Mr. Doug Mandeville, NRC Certified Mail # 7011 0470 0001 0202 2290
Document Control Desk, NRC Certified Mail # 7011 0470 0001 0202 2306
Mr. Joe Hunter – Water Quality Division Certified Mail #7011 0470 0001 0202 2313


cc: Cameco Resources-Cheyenne

08/10/2012
EXTENT OF SPILL
EST. AREA=12,021 SQFT

F-38

F-21



REVISIONS			 CAMECO Cameco Resources SOUTH DAKOTA - HIGHLAND OPERATION P.O. Box 1210 Glenrock, WY 82637 Telephone: (307) 358-6541
NO.	DATE	BY	
			FI-1055, Header House F-38 08-10-12 SPILL LOCATION SW 1/4, SW 1/4, S21, T36N, R73W
PSCM NO:		DWG NO:	CURRENT REVISION
PAPER SIZE: ANSI EXPAND A (8.50 X 11.00 INCHES)			
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