



CAMECO RESOURCES
*Smith Ranch-Highland
Operation*
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December 28, 2012

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

**Release of Solutions Report, Mine Unit F Pipeline, 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 email Mr. Lowell Spackman of Wyoming Department of Environmental Quality, Land Quality Division (LQD), Mr. Joe Hunter of Wyoming Department of Environmental Quality, Water Quality Division (WQD) and Mr. Doug Mandeville, Nuclear Regulatory Commission (NRC), on December 21, 2012, that a release occurred at Smith Ranch-Highland Uranium Project in Converse County, Wyoming on December 20, 2012. The release was also recorded in the WQD Report a Spill or Release online database, Incident Id: 121221-141142.

Approximately 1141 gallons of production fluid was released from F Wellfield Pipeline above Header-House F-2 when a pipeline fused joint in the pipeline failed. The release flowed out from the point of failure and entered a dry draw. Upon discovery during a routine inspection, the pipeline was shut down, and a truck was dispatched to recover as much fluid as possible. Approximately 250 gallons were recovered. The fused joint was repaired and the pipeline was put back in service. A sample of the fluid released was taken on December 20, 2012 and analyzed. The result of the analysis showed a Uranium content of 23.1 ppm.

The release was located in the SW ¼ of the NW ¼ in Section 22, T36N, R73W, of Converse County, Wyoming. A field map is attached showing approximate location of the release. The release will be updated into the site base map for inclusion in the Annual Report.

FSME20

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 and an updated map. Any further characterization for potential remediation will be discussed in the follow-up letter.

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/nsb

Attachments: Map

cc: File SR 4.3.3.1
Special Volume: Wellfield Release, Spill Reports
Mr. Doug Mandeville, NRC Certified Mail # 7011 3500 0000 5274 3444
Document Control Desk, NRC Certified Mail # 7011 3500 0000 5274 3451
Mr. Joe Hunter – Water Quality Division Certified Mail # 7011 3500 0000 5274 3468

cc: Cameco Resources-Cheyenne

~~— F-5 DRAW AREA
(CONTAINS STRAW BAIL
CHECK DAMS)~~

