



February 4, 2013

CERTIFIED MAIL # 7011 3500 0000 5274 1747

Mr. Lowell Spackman
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Land Quality Division
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CAMECO RESOURCES

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**January 2012 Excursion Report Summary Update and Response to LQD Comments on
November 2012 Excursion Report Summary Update, Cameco Resources, Smith Ranch-
Highland Uranium Project, Permit 603 and 633**

Dear Mr. Spackman:

Power Resources, Inc. d/b/a/ Cameco Resources (Cameco) is submitting the monthly Excursion Report Summary for the Smith Ranch-Highland Uranium Project. Also attached to this submittal, as LQD requested in a letter dated January 7, 2013, is Cameco's response to LQD's review of the November 2012 Monthly Excursion Summary.

No new excursions were reported during the month of January 2013. The Cameco Excursion Report table is attached. Monitor Wells DM-003, and FM-009 remained on excursion from the previous month.

After start-up of the excursion remediation pumping wells in mid-September Monitor Well DM-003 analytical results showed an initial increase followed by a gradual decrease in all parameters. While the November 13, 2012 sample results indicated that DM-003 was off excursion status, weekly sampling conducted since that time show that the well remains on excursion status. Analytical results following the November 13, 2012 sample showed a slight increase in UCL parameters before leveling off during the month of December. Concentrations in all parameters fluctuated slightly in January with no significant trend.

Monitor Well FM-009 analytical results indicate very little change in the concentration and the wells trend for the month of January. Cameco is still in the process of assessing data to better understand the circumstances of the water quality in FM-009 in the attempt to formulate recommendations to mitigate the situation.

FSME20

Copies of the monitor well reports for these wells are attached. Also attached please find graphs tracking alkalinity, chloride, conductivity and water level trends for each well. The water level graph represents depth of water where the monitor well report data sheet gives water level in elevation. As stated in the attached response to LQD's comments on the November 2012 Monthly Report, if the inconsistency is problematic and creates confusion, Cameco will no longer provide the water level trend graphs and return to providing only water elevations in the monitor well data sheets.

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

Respectfully,



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

KG/vg

Attachments: Cameco Resources Excursion Report
 Monitor Well Report and Trend Graphs for DM-003
 Monitor Well Report and Trend Graphs for FM-009
 Response to LQD Review of the November 2012 Monthly Excursion Summary

cc: File HUP 4.3.3.1 File SR 4.3.3.1
 Special Volume: Monthly Excursion Reports Summary Updates, Permit 603 and 633
 Mr. Doug Mandeville, NRC - CERTIFIED MAIL # 7011 3500 0000 5274 1754
 Document Control Desk, NRC - CERTIFIED MAIL # 7011 3500 0000 5274 1761

cc: Cameco-Cheyenne

RESPONSE TO REVIEW OF NOVEMBER 2012 MONTHLY EXCURSION SUMMARY CAMECO RESOURCES

INTRODUCTION

Cameco submitted the November 2012 Monthly Excursion Summary to LQD in a letter dated December 3, 2012. LQD provided comments in a letter dated January 7, 2013. The following provides LQD comments and Cameco responses.

COMMENTS

1. *It is recommended that the water level in Well DM-003 be compared with the water levels in surrounding wells to determine the water source. It appears that there may be mixing of native water with water of lesser quality. (SI)*

Cameco Response: Water levels in DM-003 and surrounding wells are taken monthly and evaluated as part of the excursion control efforts at DM-003. Cameco will be scheduling a meeting with LQD to discuss this excursion for some time in February.

2. *The water level graph for Well FM-009 lists the water levels as "Consumption Amount". The graph appears to represent some form of depth to water, the water level changes do reflect the water level changes in data sheet for the well, but the numbers on the y-axis don't appear to correlate with anything. Please correctly identify the y-axis on the graph. (SI)*

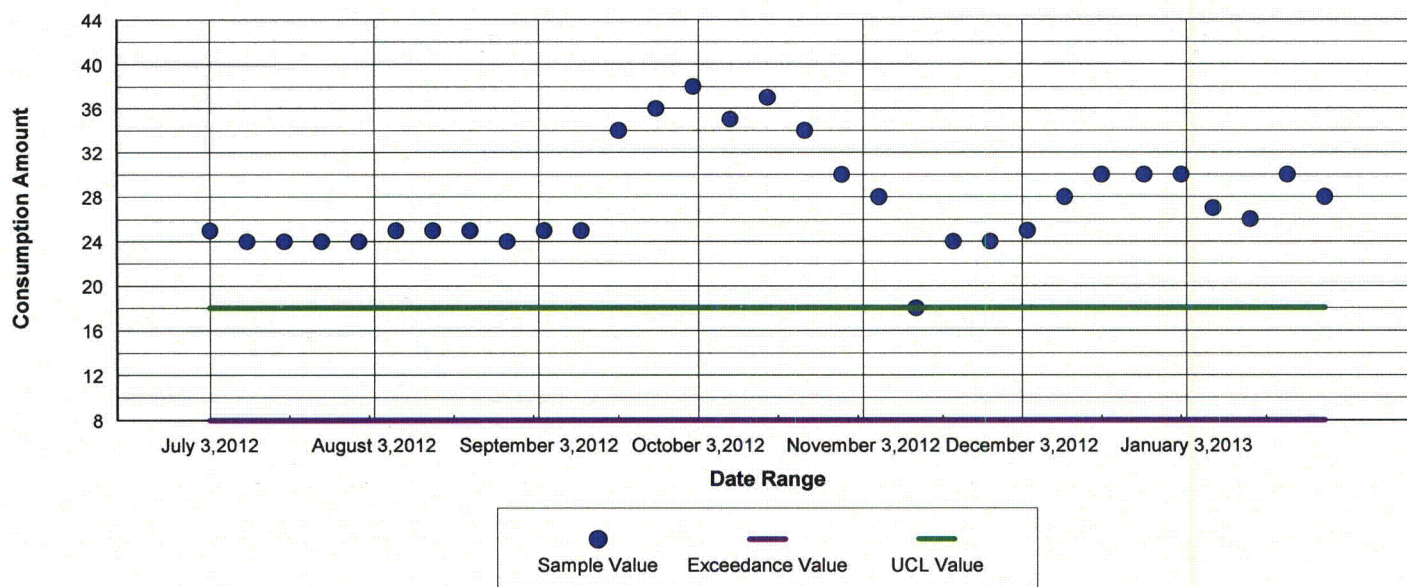
Cameco Response: These trend graphs are produced through Cameco's SAP-based environmental database which houses all sample results for monitor wells. These graphs are a simple extract of data from two database fields, consumption amount and date, and cannot be altered based on the current structure of the SAP database. Because water level is put into the system as a depth to water surface, the trend graph would reflect that as the consumption value. The monitor well report data sheets that are produced through the system have a built in calculation that converts depth to water surface into water level elevation. Cameco recognizes the difference between the graph and data sheet; because Cameco is providing the water level trend graphs as a courtesy to LQD. If the inconsistency is problematic and creates confusion, Cameco will no longer provide the graphs and return to providing only the monitor well data sheets.

3. *No water levels are included for well FM-009A; the investigation well. The Plan and Compliance Schedule states that water levels in well FM-009A will be compared to the water levels in well FM-009. Please include the water level comparison. (SI)*

Cameco Response: Water levels in FM-009A and FM-009 have been compared. Cameco is in the process of evaluating the excursion at FM-009 and will provide recommendation to LQD for control of the excursion when the evaluation is complete and a recommendation for control is developed. Cameco will be scheduling a meeting with LQD to discuss this excursion for some time in February.

Cameco Resources Excursion Report
Permit Nos. 603 & 633
(January 2013)

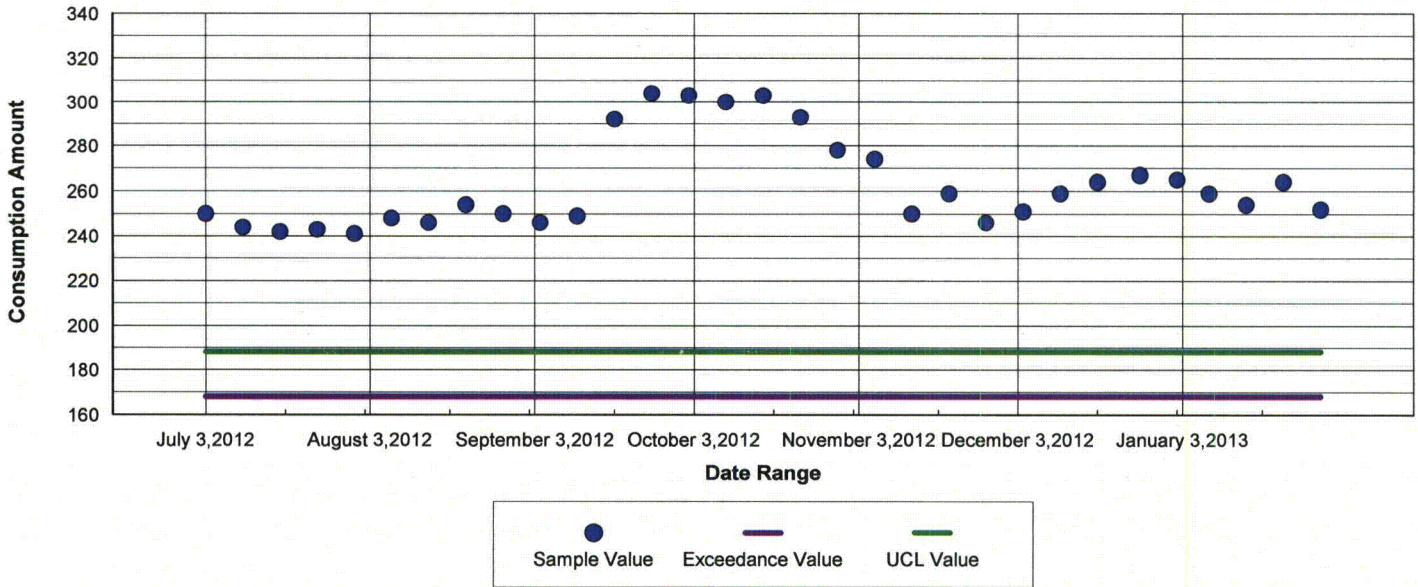
Well Identification	Initial Sample Date	Confirmation Sample Date	Excursion Status (on/off)	Parameters Exceeded	Verbal Notification Date	Written Notification Date	Excursion Resolution Date	LQD Concurrence Notification Date
DM-003	11/19/2009	11/20/2009	ON	Chloride Alkalinity	11/23/2009	11/25/2009		
FM-009	7/30/2012	7/31/2012	ON	Chloride Alkalinity	8/1/2012	8/6/2012		



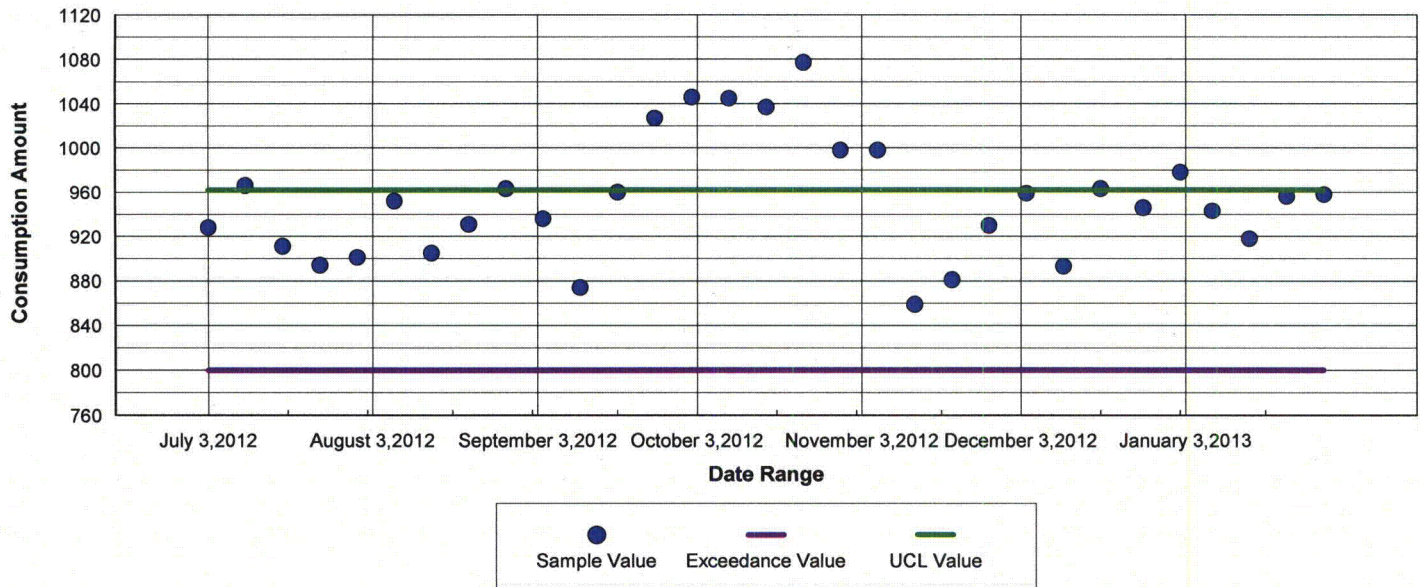


Cameco Resources
Smith Ranch - Highland

Alkalinity Trending Analysis Well : DM-003



**Conductivity
 Trending Analysis**
 Well : DM-003

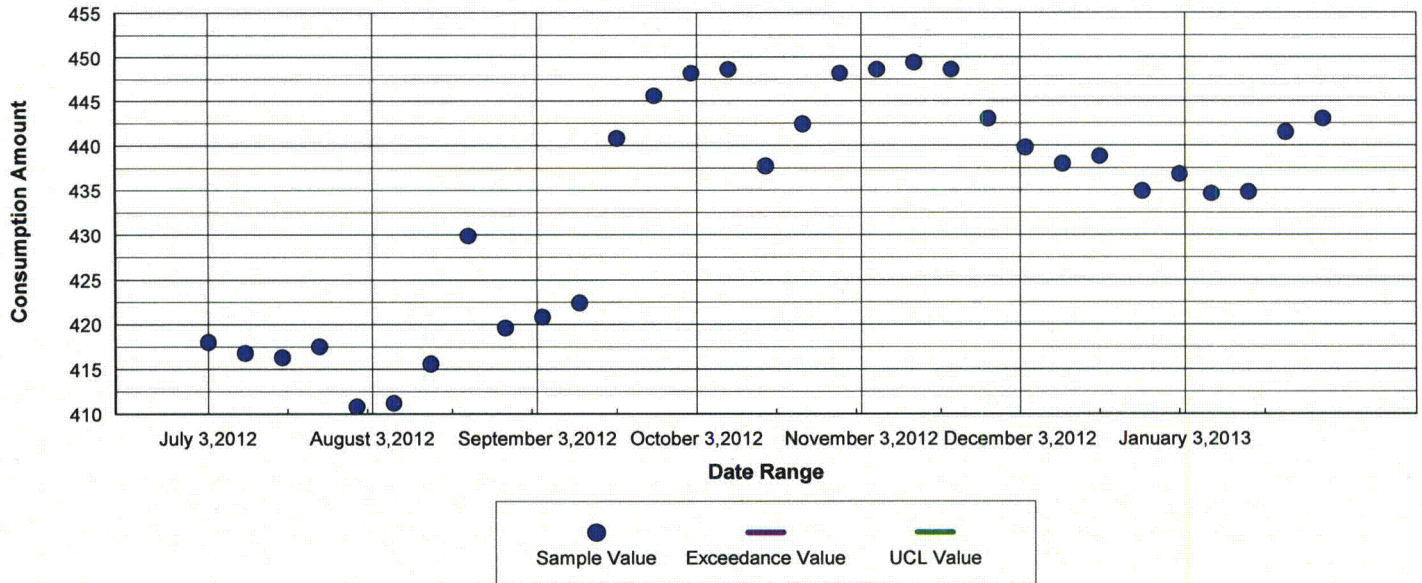




Cameco Resources
Smith Ranch - Highland

Water Level Trending Analysis

Well : DM-003





Cameco Resources
Smith Ranch - Highland Operation
Monitor Well Report

Well ID: DM-003

	<i>Chloride (mg/L)</i>	<i>Alkalinity (mg/L CaCO₃)</i>	<i>Conductivity (μMhos/cm)</i>	<i>U₃O₈ (mg/L)</i>	<i>Water Elevation</i>	<i>Comment</i>
NRC/WDEQ UCL	18	188	962			
01/29/2013	28	252	958	0	5053.4	
01/22/2013	30	264	956	0	5054.9	
01/15/2013	26	254	918	0	5061.6	
01/08/2013	27	259	943	0	5061.8	
01/02/2013	30	265	978	0	5059.6	
12/26/2012	30	267	946	0	5061.5	
12/18/2012	30	264	963	0	5057.6	
12/11/2012	28	259	893	0	5058.4	
12/04/2012	25	251	959	0	5056.6	
11/27/2012	24	246	930	0	5053.4	
11/20/2012	24	259	881	0	5047.8	
11/13/2012	18	250	859	0	5047.0	
11/06/2012	28	274	998	0	5047.8	
10/30/2012	30	278	998	0	5048.2	
10/23/2012	34	293	1077	0	5054.0	
10/16/2012	37	303	1037	0	5058.7	
10/09/2012	35	300	1045	0	5047.8	
10/02/2012	38	303	1046	0	5048.2	
09/25/2012	36	304	1027	0	5050.8	
09/18/2012	34	292	960	0	5055.6	
09/11/2012	25	249	874	0	5074.0	
09/04/2012	25	246	936	0	5075.6	
08/28/2012	24	250	963	0	5076.8	

02/01/2013



Cameco Resources
Smith Ranch - Highland Operation
Monitor Well Report

Well ID: DM-003

NRC/WDEQ UCL	Chloride (mg/L)	Alkalinity (mg/L CaCO₃)	Conductivity (µMhos/cm)	U₃O₈ (mg/L)	Water Elevation	Comment
	18	188	962			
08/21/2012	25	254	931	0	5066.5	
08/14/2012	25	246	905	0	5080.8	
08/07/2012	25	248	952	0	5085.2	
07/31/2012	24	241	901	0	5085.6	
07/24/2012	24	243	894	0	5078.9	
07/17/2012	24	242	911	0	5080.1	
07/10/2012	24	244	966	0	5079.6	
07/03/2012	25	250	928	0	5078.4	
06/26/2012	25	256	924	0	5072.4	
06/19/2012	26	256	956	0	5069.0	
06/12/2012	26	248	894	0	5076.4	
06/05/2012	25	247	894	0	5076.4	
05/29/2012	26	255	921	0	5077.6	
05/22/2012	26	243	942	0	5079.2	
05/15/2012	23	233	909	0	5074.3	
05/08/2012	25	252	911	0	5080.2	
05/01/2012	25	252	966	0	5080.4	
04/24/2012	25	255	971	0	5080.2	
04/17/2012	24	249	980	0	5078.8	
04/10/2012	24	253	943	0	5078.6	
04/03/2012	24	251	943	0	5079.6	
03/27/2012	23	243	943	0	5081.4	
03/20/2012	22	240	927	0	5081.4	

02/01/2013



Cameco Resources

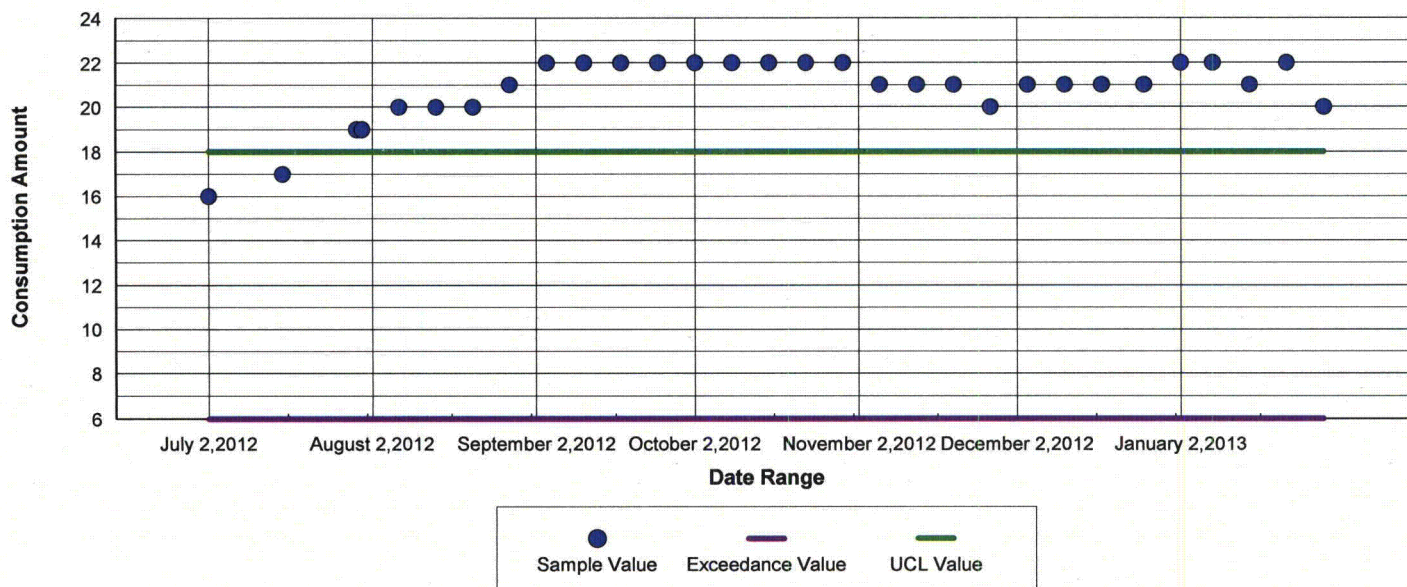
Smith Ranch - Highland Operation

Monitor Well Report

Well ID: DM-003

	Chloride (mg/L)	Alkalinity (mg/L CaCO ₃)	Conductivity (µMhos/cm)	U ₃ O ₈ (mg/L)	Water Elevation	Comment
NRC/WDEQ UCL	18	188	962			
03/13/2012	23	242	919	0	5087.2	
03/06/2012	24	246	929	0	5091.5	
02/28/2012	24	246	931	0	5093.4	
02/21/2012	23	242	961	0	5091.8	
02/14/2012	24	247	903	0	5094.3	
02/07/2012	23	240	890	0	5094.1	
01/31/2012	23	239	921	0	5095.8	

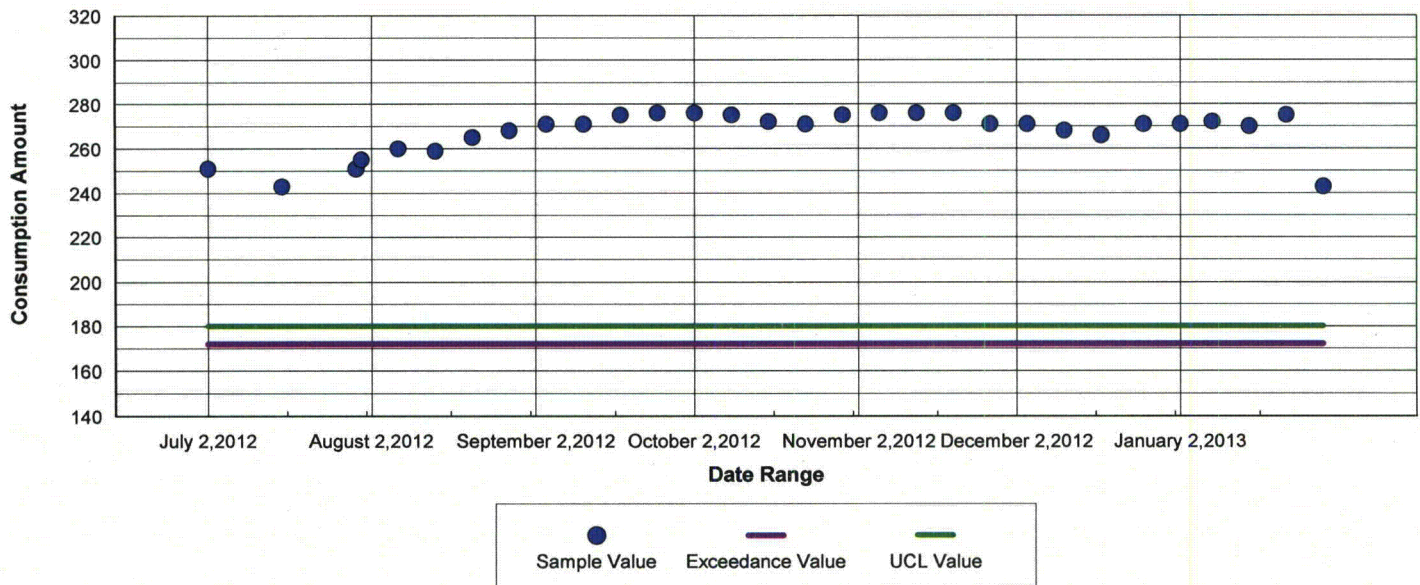
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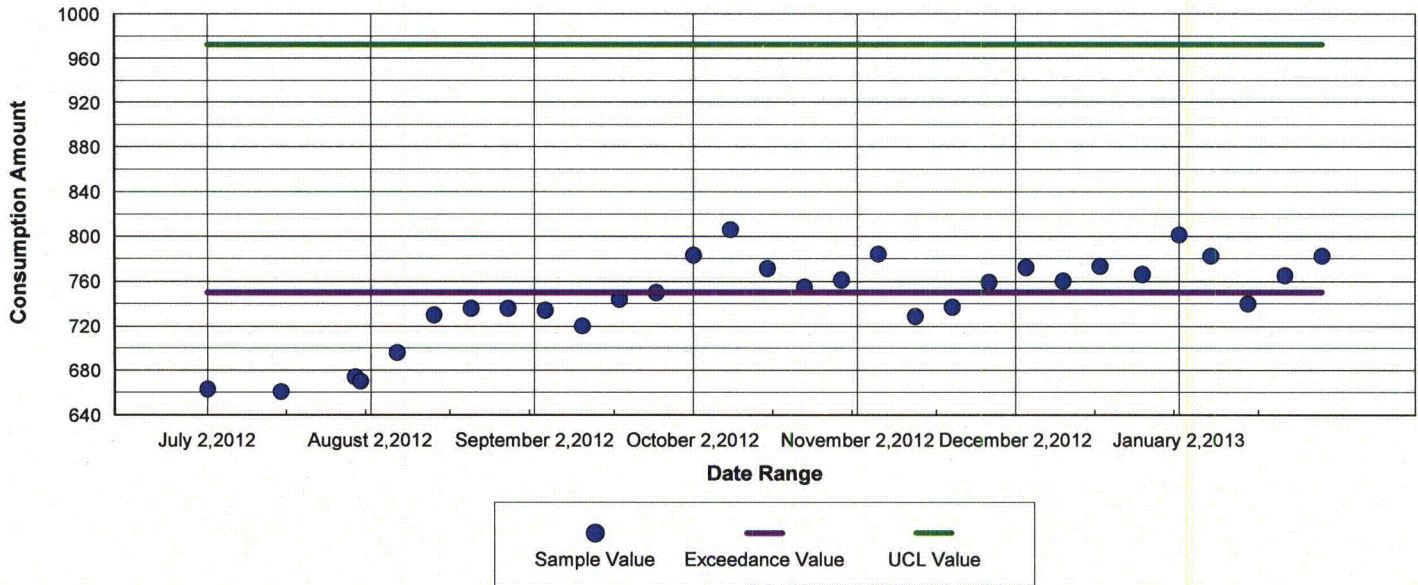


Cameco Resources
Smith Ranch - Highland

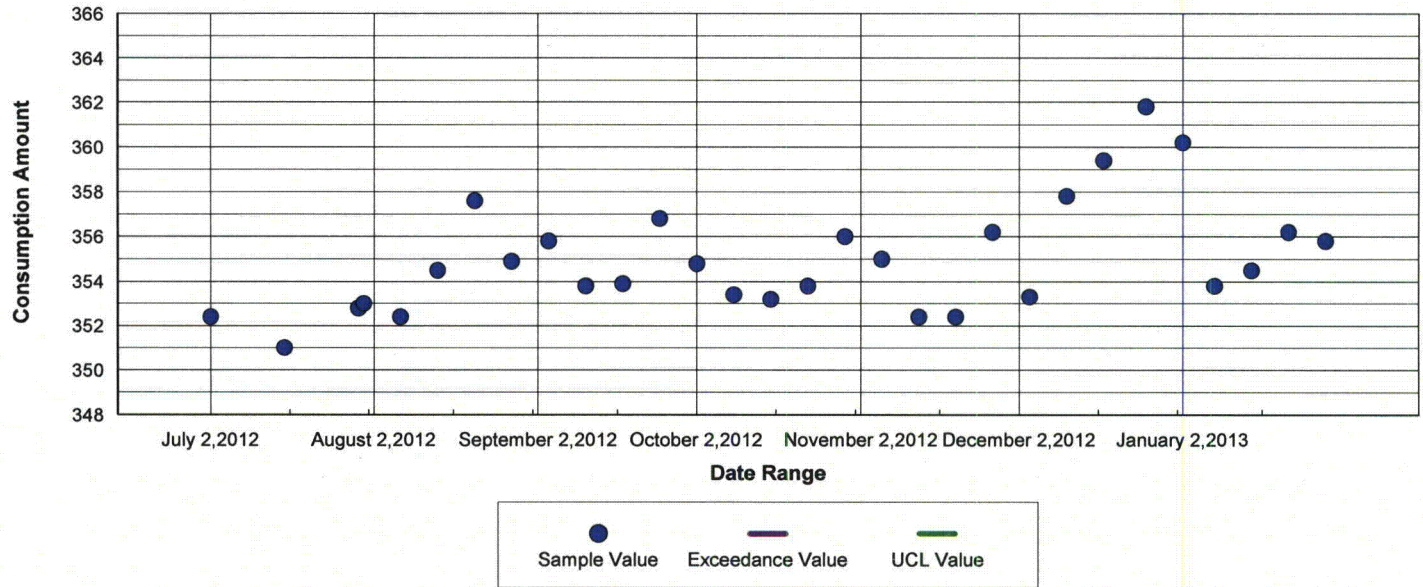
Alkalinity Trending Analysis Well : FM-009



**Conductivity
Trending Analysis**
Well : FM-009



Water Level
Trending Analysis
Well : FM-009





Cameco Resources
Smith Ranch - Highland Operation
Monitor Well Report

Well ID: FM-009

	Chloride (mg/L)	Alkalinity (mg/L CaCO ₃)	Conductivity (μMhos/cm)	U ₃ O ₈ (mg/L)	Water Elevation	Comment
NRC/WDEQ UCL	18	180	972			
01/29/2013	20	243	782	0	5132.2	
01/22/2013	22	275	765	0	5131.8	
01/15/2013	21	270	740	0	5133.5	
01/08/2013	22	272	782	0	5134.2	
01/02/2013	22	271	801	0	5127.8	
12/26/2012	21	271	766	0	5126.2	
12/18/2012	21	266	773	0	5128.6	
12/11/2012	21	268	760	0	5130.2	
12/04/2012	21	271	772	0	5134.7	
11/27/2012	20	271	759	0	5131.8	
11/20/2012	21	276	737	0	5135.6	
11/13/2012	21	276	729	0	5135.6	
11/06/2012	21	276	784	0	5133.0	
10/30/2012	22	275	761	0	5132.0	
10/23/2012	22	271	755	0	5134.2	
10/16/2012	22	272	771	0	5134.8	
10/09/2012	22	275	806	0	5134.6	
10/02/2012	22	276	783	0	5133.2	
09/25/2012	22	276	750	0	5131.2	
09/18/2012	22	275	744	0	5134.1	
09/11/2012	22	271	720	0	5134.2	
09/04/2012	22	271	734	0	5132.2	
08/28/2012	21	268	736	0	5133.1	

02/01/2013



Cameco Resources
Smith Ranch - Highland Operation
Monitor Well Report

Well ID: FM-009

<i>NRC/WDEQ UCL</i>	<i>Chloride (mg/L)</i>	<i>Alkalinity (mg/L CaCO₃)</i>	<i>Conductivity (μMhos/cm)</i>	<i>U₃O₈ (mg/L)</i>	<i>Water Elevation</i>	<i>Comment</i>
	18	180	972			
08/21/2012	20	265	736	0	5130.4	
08/14/2012	20	259	730	0	5133.5	
08/07/2012	20	260	696	0	5135.6	
07/31/2012	19	255	670		5135.0	
07/30/2012	19	251	674		5135.2	
07/16/2012	17	243	661		5137.0	
07/02/2012	16	251	663		5135.6	
06/20/2012	15	242	633		5135.6	
06/05/2012	14	229	618		5138.3	
05/22/2012	14	233	583		5141.2	
05/09/2012	14	236	610		5138.6	
04/26/2012	14	237	628		5138.4	
04/13/2012	14	237	595		5135.6	
03/29/2012	14	239	623		5136.6	
03/15/2012	15	238	593		5138.6	
02/29/2012	14	234	620		5140.5	
02/16/2012	14	232	584		5138.5	
02/03/2012	13	230	614		5142.2	

02/01/2013