

**CAMECO RESOURCES
CROW BUTTE OPERATION**



**86 Crow Butte Road
P.O. Box 169
Crawford, Nebraska 69339-0169**

**(308) 665-2215
(308) 665-2341 – FAX**

July 7, 2015

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Marty Link, Acting Water Quality Division Administrator
Nebraska Department of Environmental Quality
PO Box 98922
Lincoln, Nebraska 68509-8922

Dear Ms. Link:

On July 2, 2015, during routine 5-year Mechanical Integrity Testing (MIT), well number I-5534 in Mine Unit 11, Wellhouse 60 failed the MIT criteria at the Crow Butte Resources (CBR) mine site. Isolation procedures indicated that the failure was the casing joint at the 100-foot level. Shar Sapp, of the NDEQ Chadron field office, and Ron Burrows, NRC Project Manager, were notified concerning this well on July 2, 2015.

Based upon a review of the geophysical and lithology logs for I-5534, the failed casing joint is located in a sandy zone near the base of the Brule Formation. Because I-5534 has been operated as an injection well, the opportunity exists for this casing failure to impact the Brule Aquifer. This well has been in operation since October 12, 2011.

Upon review of the data with Dave Miesbach, of the NDEQ Lincoln office, it was requested that CBR install at least one shallow monitor well to sample the water quality in proximity to I-5534. This well will be air drilled to a total depth of 120 feet, approximately 10 feet downstream (northwest) of the failed well. If present, water samples will be collected to determine if contamination has occurred.

A copy of the sampling results for the nearest Shallow Monitor Well, SM 11-24, is included for your review. This well is located 97 feet east of I-5534.

At this time, Crow Butte intends to repair I-5534 by installing a sleeve to cover the failed joint. The well will then be re-MIT'd to ensure that the repair is sufficient. If CBR is unable to repair the well, then it will be abandoned according to approved procedure.

If you have any questions or concerns on this matter, please do not hesitate to call me at 308-665-2215 ext. 122.

CROW BUTTE RESOURCES, INC.



Sincerely,

A handwritten signature in black ink. The signature is cursive and appears to read 'Bob Tiensvold'. The first part of the signature, 'Bob', is written in a more blocky, less cursive style, while the last name is more fluidly written.

Bob Tiensvold
Mine Manager

Enclosure

cc: **Ron Burrows - NRC**
CBO - File

cc: **Shar Sapp - NDEQ**
CR - Casper

SM11-024



