

DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

NOTICE OF VIOLATION

IN THE MATTER OF THE NOTICE OF
VIOLATION ISSUED TO
CAMECO RESOURCES
SMITH RANCH-HIGHLAND OPERATION
P.O. BOX 1210
GLENROCK, WY 82637

DOCKET NO. 4419-09

Re: Insitu Uranium Operation, Permit #603

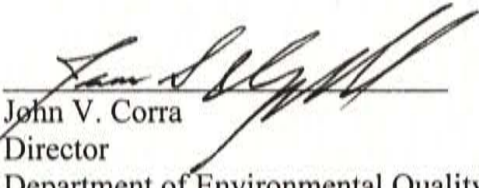
NOTICE

NOTICE IS HEREBY GIVEN THAT:

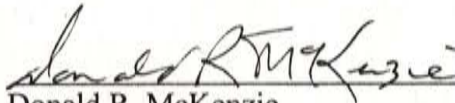
1. Notice of Violation is being sent to you pursuant to W.S. §35-11-701(c) which requires that a written notice shall be issued in the case of failure to correct or remedy an alleged violation specifying the provision of the act, rule, regulation, standard, permit, license, or variance alleged to be violated.
2. As a result of the Land Quality Division (LQD) investigation of the Highland Uranium Project (HUP) 2008 Third Quarter Monitoring Report on November 20, 2008, an excursion was discovered by LQD in sampling data reported on September 4, 2008. The report indicated well CM-14 had exceeded all upper control limit parameters during that sampling event.
3. According to the WEQA § 35-11-429 (a)(i), an operator is required to give verbal notice of an excursion as soon as practical after the excursion is confirmed. The Land Quality Division (LQD) Noncoal Rules and Regulations (R&R), Chapter 11, Section 12 (b) defines confirmation of an excursion as any detected excursion followed by a second or third repeat sample within 24 hours of the original detection which confirms the excursion. The R&R Chapter 11 Section 12 (c) requires the operator to verbally report any confirmed excursion within 24 hours of confirmation and submit a written report within five days of the confirmation, detailing the procedures for mitigating or controlling the excursion.
4. The HUP Mine Plan, Section 8.4 defines an excursion when any two of the three Upper Control Limit (UCL) parameters chloride, bicarbonate, and conductivity, are exceeded. It further states that a verification sample is taken within 24 hours of the determination that a sample has exceeded two of the three UCL values. The verification sample is split and analyzed in duplicate to assess analytical error.
5. CR failed to the conduct the confirmation sample for CM-14 within 24 hours of the original detection violating R&R Chapter 11, Section 12(b).
6. Wyoming Statute §35-11-901(a) provides that any person who violates any provision of the Environmental Quality Act or any rule, standard, permit, license or variance adopted hereunder is liable to a penalty of ten thousand dollars (\$10,000.00) for each day of violation, which penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming.

NOTHING IN THIS NOTICE shall be interpreted to in any way, limit or contravene any other remedy available under the Environmental Quality Act, nor shall this Order be interpreted as being a condition precedent to any other enforcement action.

SIGNED this 23rd day of January, 2009



John V. Corra
Director
Department of Environmental Quality



Donald R. McKenzie
Administrator
Land Quality Division

Please direct all inquiries regarding this Notice of Violation and Order to Mr. Lowell Spackman, Wyoming Department of Environmental Quality, Land Quality Division, Cheyenne Office, 122 West 25th Street, Cheyenne, WY 82002, Telephone No. (307) 777-7052.

Cc: Lowell Spackman, District I
File Docket # 4419-09
Doug Mandeville, NRC