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LOST CREEK ISR, LLC

May 18, 2012

40-9068

Mr. Mark Newman
Bureau of Land Management
Rawlins Field Office
PO Box 2407
Rawlins, WY 82301

3600 (WYD03)
WYW-166224

Re: Proposal to Plug and Abandon Up to 80 Historic Drill Holes

Dear Mr. Newman,

Lost Creek ISR, LLC (LCI) desires to locate and properly abandon up to 80 historic drill holes that were created by previous claim holders during the 1960's through the 1980's. The objective of this effort is to ensure protection of the Battle Spring aquifer during proposed in situ mining and to comply with permit and license conditions established by the Wyoming Department of Environmental Quality and the U.S. Nuclear Regulatory Commission respectively. Regardless of the outcome of the BLM's ongoing NEPA review, the proper abandonment of these historic holes will ensure groundwater protection and minimize the potential for the collapse of surface plugs.

The holes will be abandoned using the materials and techniques previously approved by both the BLM and the WDEQ-LQD and described in the Lost Creek Notice Application and the Drill Notice. This includes, in part, the use of a tremmie pipe to introduce high solids bentonite as deep in the hole as is accessible followed by top offs of bentonite pellets or high solids bentonite grout in order to keep the plug column as close to surface as possible. The surface cap will include the installation of a cement cap followed by approximately two feet of native soil. The disturbed area will be revegetated using the native seed mixture approved by WDEQ-LQD and BLM.

LCI estimates the maximum total disturbance to complete the proposed remediation is 2 acres (80 sites x 0.025 acres/site). The proposed work will be completed between July 15 and March 1 in order to comply with the Governor's Executive Order pertaining to sage grouse.

The proposed disturbance will be in addition to the following unreclaimed disturbance:

0.60 acres for southeastern water tank
0.40 acres for the northern water tank
0.28 acres for the laydown area
0.20 acres for the road leading to the deep well site
1.48 acres

Lost Creek ISR, LLC is a wholly-owned subsidiary of Ur-Energy Inc.

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1.48 existing acres of existing unreclaimed disturbance plus up to 2 acres of additional disturbance equals 3.48 acres.

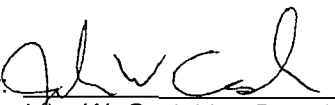
Pursuant to our April 25th discussion, a bond to reclaim a total of 20 sites will be established and rolled over after each successful inspection by your office. Since the historic holes already exist there will be no bond established for downhole plugging. The bond assumptions in the table below were derived from the Wyoming Department of Environmental Quality – Land Quality Division (WDEQ-LQD) Guideline 12, Appendix L. The cost for reseeding each site has been increased from the Appendix L value of \$5/site to \$15/site in accordance with recent discussions with WDEQ-LQD. A 22% contingency has been applied to satisfy BLM requirements.

Activity	Cost per Hole	Extended Cost for 20 Holes
Site Locating	\$10	\$200
Surface Cap	\$7.50	\$150
Site Grading	\$30	\$600
Site Seeding	\$15	\$300
Sub-Total	\$62.50	\$1,250
BLM 22% Cont.	\$13.75	\$275
Total	\$76.25	\$1,525

If you have any questions regarding this submittal please feel free to contact me at the Casper office.

Regards,

Lost Creek ISR, LLC
By its Manager, Ur-Energy USA Inc.

By: 
John W. Cash Vice President of Regulatory Affairs, Exploration and Geology
Ur-Energy USA, Inc.

Cc: Mrs. Melisa Bautz, Lander LQD
Ms. Ramona Christensen, Cheyenne, LQD
Mrs. Theresa Horne, Ur-Energy USA Inc.
✓ U.S. NRC Document Control Desk
U.S. NRC Deputy Director, Decommissioning and Uranium Recovery Licensing Directorate

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