

COLORADO OFFICE
10758 W. CENTENNIAL RD., STE. 200
LITTLETON, CO 80127
TEL: (866) 981-4588
FAX: (720)-981-5643



WYOMING OFFICE
5880 ENTERPRISE DR., STE. 200
CASPER, WY 82609
TEL: (307) 265-2373
FAX: (307) 265-2801

LOST CREEK ISR, LLC

July 30, 2013

ATTN: Document Control Desk
Director, Office of Federal and State Materials and Environmental Management Programs
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

**Re: Submittal of Mine Unit 1 Monitor Well Data
License Number SUA-1598, Docket 40-9068**

To Whom It May Concern:

Lost Creek ISR, LLC (LCI) has initiated Mine Unit 1 monitor well sampling in an effort to familiarize staff with procedures and correct any logistical issues prior to the initiation of mining. To date, a total of two rounds of data have been analyzed by a third party lab. Three wells have returned water quality results with concentrations greater than the Upper Control Limits (UCLs) determined from baseline data. The wells with concentrations greater than the UCLs are shown in the table below:

Well Name	Sample Date	Alkalinity (mg/l)	Alkalinity UCL (mg/l)	Conductivity μ S/cm	Conductivity UCL μ S/cm
M-109	7/11/13	108	97	574	523
M-126	6/25/13	111	103	573	544
M-126	7/28/13	113	103	557	544
MU-110	7/1/13	75	51	---	---

LCI believes that the recent sample results for alkalinity and conductivity are relatively high compared to baseline values because the wells haven't been sampled for a long time and will therefore require additional purging in order to produce samples representative of the host aquifer. A review of the sampling records shows that the well sampling procedure, which requires three casing volumes be purged prior to sampling, was followed. Additional purging will be utilized to ensure future sample results for these three wells are representative of the host aquifer. Spatial variability may also be playing a role in the elevated water quality.

LCI has not initiated in situ mining within Mine Unit 1. In other words, no mining chemicals, including bicarbonate, CO₂, or oxygen, have been introduced into the wellfield. LCI has performed very limited injection in header house 1-1 to test alarms, systems, and procedures and to train employees; see the attached map. The injection occurred in all but one injection well in header house 1-1 on day shifts from July 20th to 26th (which is after the elevated parameters were detected in the monitor wells). None of the three monitor wells are in the immediate vicinity of header house 1-1.

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

TSX: URE

www.ur-energy.com

FSMEZO

July 30, 2013

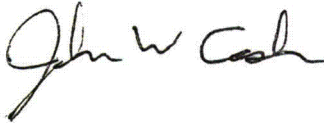
Re: Submittal of Mine Unit 1 Monitor Well Data

Page 2 of 2

Verification samples were not collected since the elevated water quality was detected prior to mining.

If you have any questions regarding this letter or require additional information please feel free to contact me at (307) 265-2373.

Sincerely,



John W. Cash, Vice President

Cc: Mrs. Melissa Bautz, Wyoming DEQ
Mrs. Theresa Horne, Ur-Energy, Littleton
Mr. John Saxton, NRC Project Manager
Deputy Director, Decommissioning and Uranium Recovery Licensing Directorate,
Division of Waste Management and Environmental Protection, Office of Federal and
State Materials and Environmental Management Programs

