



Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Matt Mead, Governor

Todd Parfitt, Director

August 1, 2013

Mr. John Cash – VP Regulatory Affairs
Exploration and Geology
Lost Creek ISR, LLC
5880 Enterprise Drive, Suite 200
Casper, WY 82609

Re: **Lost Creek ISR LLC, Permit 788, Class 3 UIC Well Acceptance for Mine Unit 1 Header House 3 (HH 1-3)**

Dear Mr. Cash:

LQD is in receipt of Lost Creek ISR's Notice of Completion of Construction for Class 3 wells in MU1-HH2 at the Lost Creek ISR Project. The Notice was hand-delivered by Lost Creek ISR's Steve Loose, during my onsite Inspection of the wells covered by that Notice, on July 31, 2013. The Inspection Memorandum (dated August 1, 2013, enclosed) summarizes the findings of that Inspection, which included a field checking of randomly selected wells and a records review.

Based upon the field inspection and records review of the 70 wells that were covered in the above-referenced Notice, all wells were found to be acceptable. **All well certifications indicated in the above-referenced Notice are hereby accepted by the Land Quality Division (LQD) as being in compliance with the approved Operations Plan and LQD Noncoal Rules and Regulations Chapter 11, Section 11(b).**

Lost Creek ISR may commence initial ("cold") circulation operations with the 70 specified wells within HH 1-3 in accordance with the Operations Plan for Permit 788. Additionally, upon NRC approval, commencement of ISR operations is also authorized in accordance with LQD Permit 788. If there are any questions regarding this letter or its enclosures, please contact Melissa Bautz in the Lander Land Quality Division office at (307) 332-3047.

Sincerely,

Melissa L. Bautz, P.G.
Natural Resources Analyst
Land Quality Division - District 2 (Lander)

Enclosure UIC Well Inspection Report (2 pages – double sided)
MLB:mlb

cc: Mark Newman – BLM – P. O. Box 2407, Rawlins, WY 82301
John Saxton – US Nuclear Regulatory Commission
Tanya King - WDEQ-LQD, District II → Permit 788 UIC Well Completion Binder
Ramona Christensen – WDEQ-LQD Cheyenne → Permit 788 UIC Well Completion Binder
Chron

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Wyoming Department of Environmental Quality (WDEQ)- Land Quality Division (LQD)
Inspection Memorandum

File: Lost Creek ISR, LLC – Permit 788

Date of Inspection: July 31, 2013

Date of Report: August 1, 2013 *MLB*

Participants: Steve Loose, Lost Creek ISR/Ur-Energy
Mike Lueders, Mine Manager, Lost Creek ISR/Ur-Energy
Melissa Bautz, WDEQ-Land Quality Division

Report Prepared by: Melissa Bautz – WDEQ-Land Quality Division

Subject: Inspection of UIC Class 3 Wells – Mine Unit 1, Header House 3

Introduction

An inspection of the 70 Class 3 (UIC) Wells in Mine Unit 1 Header House 3 (referred to as HH 1-3) was conducted on July 31, 2013 in response to Lost Creek ISR's submittal of a Notice of Completion for those wells (via hand-delivered letter dated July 31, 2013). The inspection included a field check of randomly selected wells and a records review.

Class 3 Well Inspection

Lost Creek ISR's submittal of the Notice of Completion is in accordance with Noncoal Rules and Regulations Chapter 11, Section 11(b). During the inspection, LQD followed the guidance provided in Guideline 4, Reference Document 8. Additionally, Permit-specific commitments were also considered during this inspection (E.g. required MIT pressures, required Well Casing specifications, et cetera) The applicable portions of the Lost Creek Permit 788 for Well Construction specifications are Sections OP-3.3 and OP-3.4 of the Operations Plan, Volume 5.

Field Inspection of Class III wells

Seven wells were randomly selected for field inspection. They were inspected for cover and casing integrity, presence of leak detection, and location concerns. All seven wells that were inspected are considered to be representative of all the wells in Header House 3. All seven wells that were inspected were found to be acceptable.

Records Review

Each well in the Class III completion report has the following three (3) records associated with it: Casing Record, Completion Record, and MIT Record. The spreadsheet submitted with the Notice summarizes pertinent information from each of those three Records for each well. During the onsite records review, the records for seven (7) wells were inspected. The records that were inspected were found to be complete and are considered to be representative of all of the records for HH 1-3.

Summary of Class III Well Inspection

Based upon the field inspection and records review of the 70 wells that were covered in the above-referenced Notice, all of the HH 1-3 wells were found to be acceptable.

Conclusion

Based on this inspection, the Class III authorization for HH 1-3 will be granted.

W/Photo Addendum (Page 2)

*****END OF MEMORANDUM*****

Photo Addendum to accompany the July 31, 2013 Inspection of Lost Creek ISR's HH 1-3



Photo Number 1: The photo on the left depicts the well cover for one of the HH 1-3 well inspected today. It is on the west edge of HH 1-3, west of a prominent drainage (which is behind this well). The wells in HH 1-3 are at least 20 feet away from the drainage. The photo on the right depicts the inside of the well depicted on the left. It is currently set up with injection well hardware.



Photo Number 2: This is a panoramic view looking generally to the south along the drainage depicted above. LCI's efforts to keep away from this drainage appear to be working well. There is no evidence of sediment from the well field entering this drainage.