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

August 29, 2013

Mr. John Saxton
Project Manager
U.S. Nuclear Regulatory Commission
Mail Stop T-8F5
11545 Rockville Pike,
Rockville, MD 20852

Re: Lost Creek Project,
NRC License SUA-1598, Docket No. 40-9068
30 Day Follow Up Spill Report

Dear Mr. Saxton

Pursuant to Wyoming Department of Environmental Quality (WDEQ) regulation, Lost Creek ISR, LLC ("LCI") hereby provides a written report detailing two separate releases of fresh groundwater that were reportable to the Wyoming Department of Environmental Quality. Using the WDEQ spill report webpage, LCI notified the WDEQ of the first spill on 3 August, 2013, and the second spill on 4 August, 2013. LCI notified the NRC of these 2 spills, through email to John Saxton and Linda Gersey on the same days as the reports to the WDEQ. Both spills were located in the NW quarter of the NE quarter of Section 19, T25N, R92W. The original spill notification included the statement that bicarbonate had been added to the water. However, in both cases, bicarbonate had not been added to the water that was released.

On August 3, 2013 at approximately 8 a.m. a wellfield operator, while performing a wellfield inspection, discovered a release of fresh groundwater from a buried HDPE pipe feeding injection well 1I314 from header house 1-1. The operator shut down the injection well at the header house to stop the release. It appears that the HDPE lateral line was nicked by a backhoe after the line had passed its initial pressure test. The total volume of the release was approximately 2,200 gallons. No fluid was recovered because it soaked into the ground. The spill area was initially staked and later mapped with GPS (see Figure 1 below). The measured uranium concentration of the released water was below the 1 mg/L detection limit of the in-house laboratory. The average uranium concentration of groundwater during baseline sampling was 0.024 mg/L. A sample of the injection fluid of Header House 1-1 was sent to an analytical lab (results attached at end of this report). The analytical Lab measured concentration of uranium was "Non Detect". The analytical lab measured concentration of radium226 was 321 pCi/L. If the radium was deposited in the first 5 cm of the soil the concentration in the soil would be 0.27 pCi/g.

August 9, 2013
Re: Written Notification of Groundwater Release

In order to prevent similar incidents in the future, if possible, initial pressure testing of laterals will not be performed until all digging in the area is complete. If additional digging in the vicinity of a trunkline/pipeline occurs after the initial pressure test, the potentially affected line(s) will be turned off during digging and then pressure tested again prior to placing back into service. This additional procedure has been conveyed to the Construction Supervisor and Wellfield Construction employees.

On August 4, 2013 another release of fresh groundwater was discovered by a wellfield operator at approximately 8 a.m. while performing a wellfield inspection. The release was from a 10" diameter injection trunkline leading to Header House 1-2. There was no flow through the line since Header House 1-2 was off but there was pressure on the line since it wasn't isolated from producing Header House 1-1. The operator shut down the release by 8:30 a.m. LCI estimates the total release was 24,458 gallons of which 13,440 gallons was recovered and disposed of in the facilities' holding ponds. The initial estimates for the volume had been 58,538 gallons spilled and 47,520 gallons recovered, but these values were incorrect because the volume for the tank of the vacuum truck was used. The spill area was staked and latter mapped using GPS (see Figure 2 below). The spill volume was much greater on the second spill even though the spill area was much smaller. This is because most of the spill was contained in the pit. The junction that was leaking had not been buried yet. The measured uranium concentration of the released water was below the 1 mg/L detection limit of the in-house laboratory. The average uranium concentration during baseline sampling was 0.024 mg/L. A sample of the injection fluid of Header House 1-1, and a sample of the spill were sent to an analytical lab (results attached at end of this report). The analytical Lab measured concentration of uranium was "Non Detect" for the injection sample and 0.09 mg/L for the sample from the spill. The uranium concentration in the injection line was not detectable for over a week after the spill based on the in house measurements. The analytical lab measured concentration of radium226 was 321 pCi/L. If the radium was deposited in the first 5 cm of the soil the concentration in the soil would be 2.21 pCi/g. The root cause of the spill remains undetermined, however, it appears that a gasket was crimped during installation.

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. Theresa Horne, Ur-Energy, Littleton

ATTACHMENTS

Figure 1: Spill 1I314 – 8/2/2013
Figure 2: Spill 1I039 – 8/4/2013
Analytical Lab Report of Spill Samples

August 9, 2013
Re: Written Notification of Groundwater Release

Figure 1

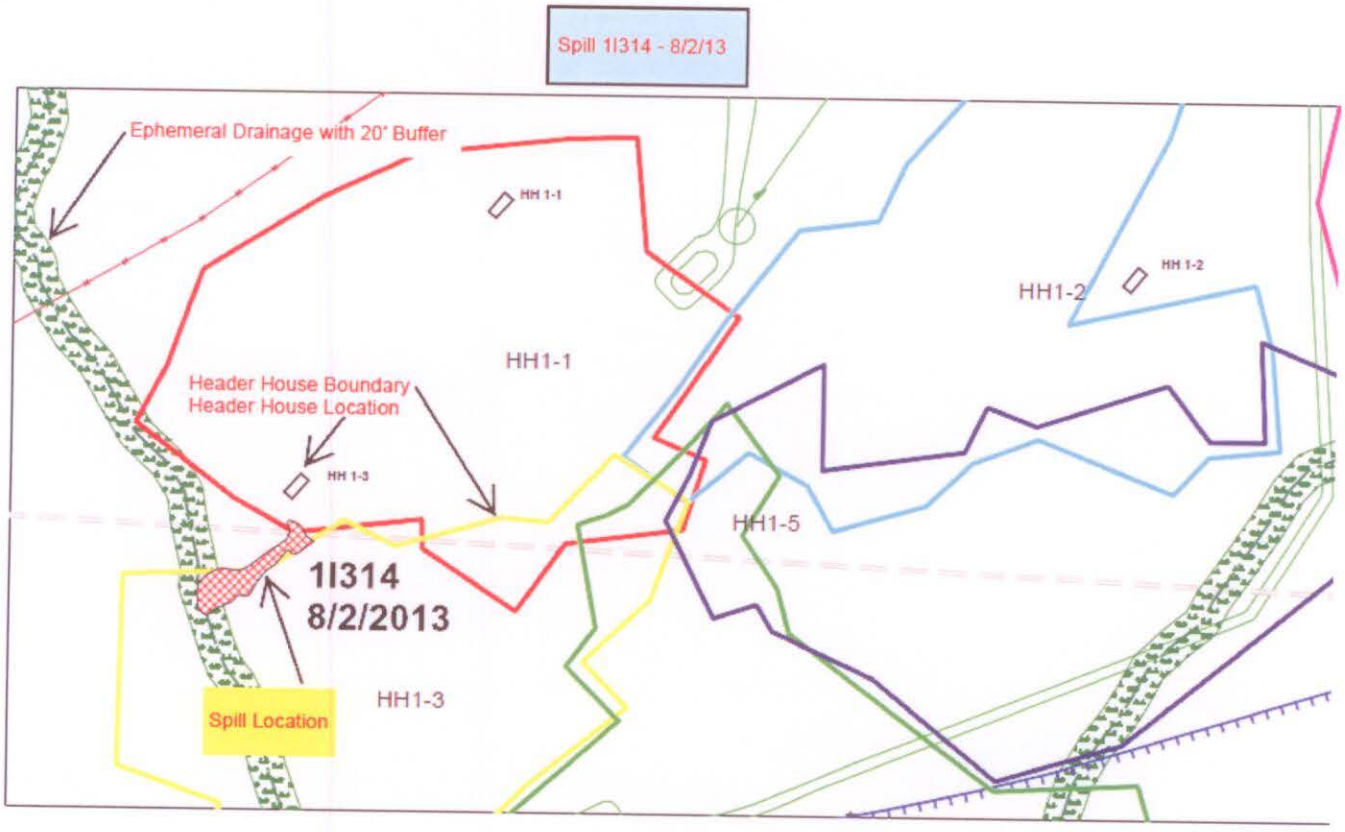

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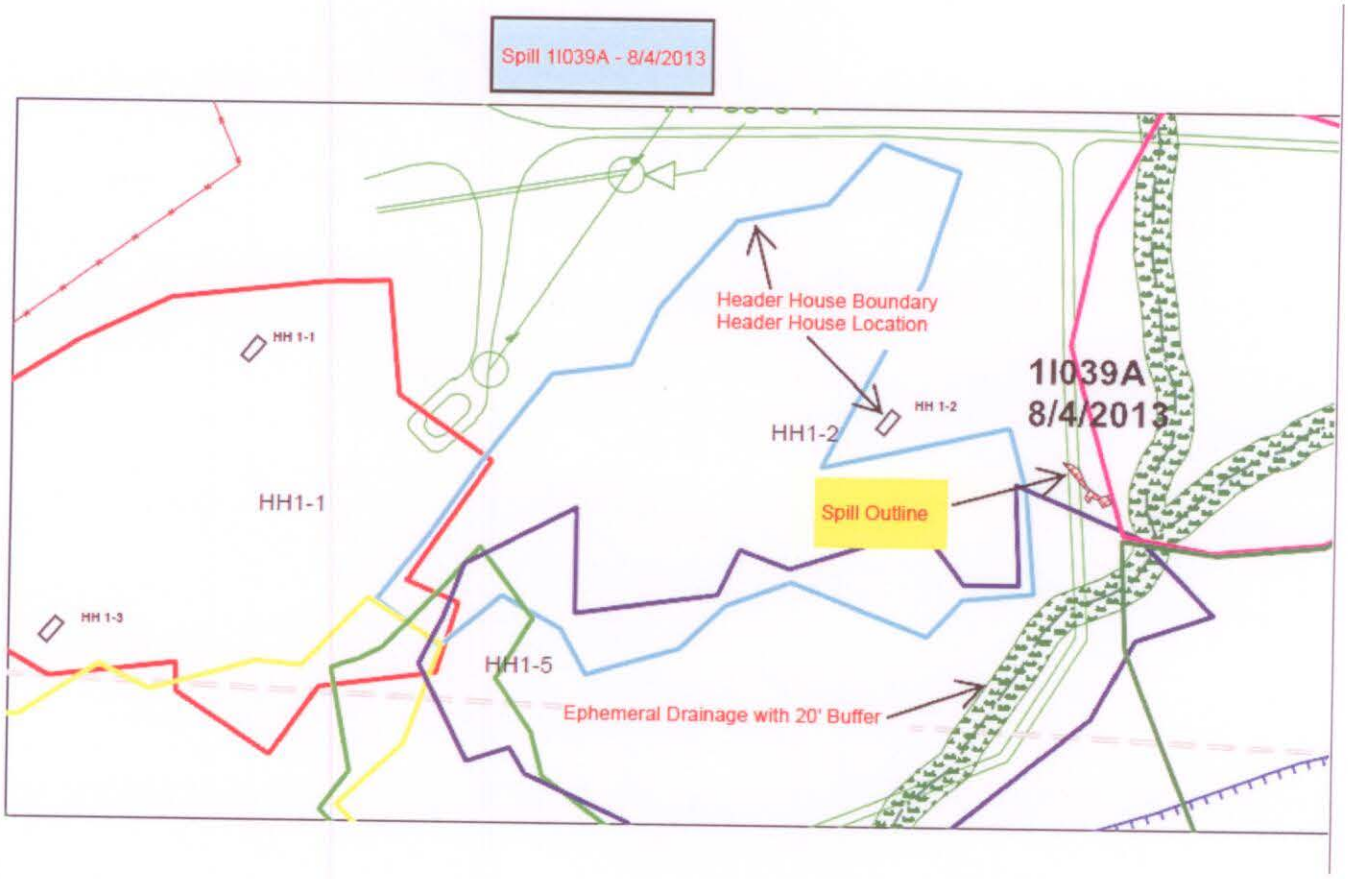
Figure 2



August 9, 2013
Re: Written Notification of Groundwater Release

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Gillette, WY 866-686-7175 • Rapid City, SD 888-672-1225 • College Station, TX 888-690-2218

ANALYTICAL SUMMARY REPORT

August 26, 2013

UR Energy USA Inc
10758 W Centennial Rd Ste 200
Ken Caryl Ranch, CO 80127

Workorder No.: C13080149
Project Name: Lost Creek

Energy Laboratories, Inc. Casper WY received the following 2 samples for UR Energy USA Inc on 8/5/2013 for analysis.

Sample ID	Client Sample ID	Collect Date	Receive Date	Matrix	Test
C13080149-001	Injection Header	08/03/13 10:52	08/05/13	Aqueous	Metals by ICP/ICPMS, Total Metals Preparation by EPA 200.2 Radium 226, Total
C13080149-002	Spill 3	08/04/13 9:46	08/05/13	Aqueous	Same As Above

The results as reported relate only to the item(s) submitted for testing. The analyses presented in this report were performed at Energy Laboratories, Inc., 2393 Salt Creek Hwy., Casper, WY 82601, unless otherwise noted. Radiochemistry analyses were performed at Energy Laboratories, Inc., 2325 Kerzell Lane, Casper, WY 82601, unless otherwise noted. Any exceptions or problems with the analyses are noted in the Laboratory Analytical Report, the QA/QC Summary Report, or the Case Narrative.

If you have any questions regarding these test results, please call.

Report Approved By:

Report Proofing Specialist

Digitally signed by
Sheri M. Mead
Date: 2013.08.26 11:37:04 -06:00

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LABORATORY ANALYTICAL REPORT

Prepared by Casper, WY Branch

Client: UR Energy USA Inc
Project: Lost Creek
Lab ID: C13080149-001
Client Sample ID Injection Header

Report Date: 08/26/13
Collection Date: 08/03/13 10:52
DateReceived: 08/05/13
Matrix: Aqueous

Analyses	Result	Units	Qualifiers	RL	MCL/ QCL	Method	Analysis Date / By
METALS - TOTAL							
Uranium	ND	mg/L		0.0003		E200.8	08/09/13 18:00 / clm
RADIONUCLIDES - TOTAL							
Radium 226	321	pCi/L				E903.0	08/20/13 08:28 / lmc
Radium 226 precision (±)	6.5	pCi/L				E903.0	08/20/13 08:28 / lmc
Radium 226 MDC	0.62	pCi/L				E903.0	08/20/13 08:28 / lmc

Report Definitions:
RL - Analyte reporting limit.
QCL - Quality control limit.
MDC - Minimum detectable concentration
MCL - Maximum contaminant level.
ND - Not detected at the reporting limit.

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LABORATORY ANALYTICAL REPORT

Prepared by Casper, WY Branch

Client: UR Energy USA Inc
Project: Lost Creek
Lab ID: C13080149-002
Client Sample ID Spill 3

Report Date: 08/26/13
Collection Date: 08/04/13 09:46
DateReceived: 08/05/13
Matrix: Aqueous

Analyses	Result	Units	Qualifiers	RL	MCL/ QCL	Method	Analysis Date / By
METALS - TOTAL							
Uranium	0.0903	mg/L		0.0003		E200.8	08/09/13 18:04 / clm
RADIONUCLIDES - TOTAL							
Radium 226	99	pCi/L				E903.0	08/20/13 08:28 / lmc
Radium 226 precision (±)	3.2	pCi/L				E903.0	08/20/13 08:28 / lmc
Radium 226 MDC	0.50	pCi/L				E903.0	08/20/13 08:28 / lmc

Report Definitions:
RL - Analyte reporting limit.
QCL - Quality control limit.
MDC - Minimum detectable concentration
MCL - Maximum contaminant level.
ND - Not detected at the reporting limit.

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QA/QC Summary Report

Prepared by Casper, WY Branch

Client: UR Energy USA Inc
Project: Lost Creek

Report Date: 08/26/13
Work Order: C13080149

Analyte	Count	Result	Units	RL	%REC	Low Limit	High Limit	RPD	RPDLimit	Qual
Method: E200.8									Analytical Run: ICPMS2-C_130809A	
Sample ID: ICV		Initial Calibration Verification Standard							08/09/13 16:15	
Uranium		0.0515	mg/L	0.00030	103	90	110			
Method: E200.8									Batch: 38581	
Sample ID: MB-38581		Method Blank				Run: ICPMS2-C_130809A			08/09/13 17:14	
Uranium		ND	mg/L	9E-06						
Sample ID: LCS3-38581		Laboratory Control Sample				Run: ICPMS2-C_130809A			08/09/13 17:18	
Uranium		0.576	mg/L	0.00030	115	85	115			
Sample ID: C13080131-003AMS3		Sample Matrix Spike				Run: ICPMS2-C_130809A			08/09/13 18:13	
Uranium		0.63	mg/L	0.00030	120	70	130			
Sample ID: C13080131-003AMSD3		Sample Matrix Spike Duplicate				Run: ICPMS2-C_130809A			08/09/13 18:16	
Uranium		0.63	mg/L	0.00030	121	70	130	0.3	20	

Qualifiers:

RL - Analyte reporting limit.
MDC - Minimum detectable concentration

ND - Not detected at the reporting limit.

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QA/QC Summary Report

Prepared by Casper, WY Branch

Client: UR Energy USA Inc
Project: Lost Creek

Report Date: 08/26/13
Work Order: C13080149

Analyte	Count	Result	Units	RL	%REC	Low Limit	High Limit	RPD	RPDLimit	Qual
Method: E903.0										Batch: RA226-6791
Sample ID: C13080303-001GMS		Sample Matrix Spike				Run: BERTHOLD 770-2_130814A				08/20/13 10:00
Radium 226		32	pCi/L		139	70	130			S
- Spike response is outside of the acceptance range for this analysis. Since the LCS and the RPD for the MS MSD pair are acceptable, the response is considered to be matrix related. The batch is approved.										
Sample ID: C13080303-001GMSD		Sample Matrix Spike Duplicate				Run: BERTHOLD 770-2_130814A				08/20/13 10:00
Radium 226		34	pCi/L		149	70	130	6.6	23.1	S
- Spike response is outside of the acceptance range for this analysis. Since the LCS and the RPD for the MS MSD pair are acceptable, the response is considered to be matrix related. The batch is approved.										
Sample ID: MB-RA226-6791	3	Method Blank				Run: BERTHOLD 770-2_130814A				08/20/13 11:58
Radium 226		-0.07	pCi/L							U
Radium 226 precision (±)		0.2	pCi/L							
Radium 226 MDC		0.4	pCi/L							
Sample ID: LCS-RA226-6791		Laboratory Control Sample				Run: BERTHOLD 770-2_130814A				08/20/13 11:58
Radium 226		13	pCi/L		118	80	120			

Qualifiers:

RL - Analyte reporting limit.
MDC - Minimum detectable concentration
U - Not detected at minimum detectable concentration
ND - Not detected at the reporting limit.
S - Spike recovery outside of advisory limits.

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Standard Reporting Procedures

Lab measurement of analytes considered field parameters that require analysis within 15 minutes of sampling such as pH, Dissolved Oxygen and Residual Chlorine, are qualified as being analyzed outside of recommended holding time.

Solid/soil samples are reported on a wet weight basis (as received) unless specifically indicated. If moisture corrected, data units are typically noted as –dry. For agricultural and mining soil parameters/characteristics, all samples are dried and ground prior to sample analysis.

Workorder Receipt Checklist

UR Energy USA Inc

C13080149

Login completed by: Dorian Quis
Reviewed by: BL2000\kmiller
Reviewed Date: 8/7/2013

Date Received: 8/5/2013
Received by: tjp
Carrier name: Hand Del

Shipping container/cooler in good condition?	Yes ☑	No ☐	Not Present ☐
Custody seals intact on all shipping container(s)/cooler(s)?	Yes ☐	No ☐	Not Present ☑
Custody seals intact on all sample bottles?	Yes ☐	No ☐	Not Present ☑
Chain of custody present?	Yes ☑	No ☐	
Chain of custody signed when relinquished and received?	Yes ☑	No ☐	
Chain of custody agrees with sample labels?	Yes ☑	No ☐	
Samples in proper container/bottle?	Yes ☑	No ☐	
Sample containers intact?	Yes ☑	No ☐	
Sufficient sample volume for indicated test?	Yes ☑	No ☐	
All samples received within holding time? (Exclude analyses that are considered field parameters such as pH, DO, Res Cl, Sulfite, Ferrous Iron, etc.)	Yes ☑	No ☐	
Temp Blank received in all shipping container(s)/cooler(s)?	Yes ☐	No ☑	Not Applicable ☐
Container/Temp Blank temperature:	26.0°C No Ice		
Water - VOA vials have zero headspace?	Yes ☐	No ☐	No VOA vials submitted ☑
Water - pH acceptable upon receipt?	Yes ☑	No ☐	Not Applicable ☐

Contact and Corrective Action Comments:

Samples for Metals and Radiochem were received at pH 7; 2 mLs HNO3 added to preserve to pH<2.

August 9, 2013
Re: Written Notification of Groundwater Release

ENERGY LABORATORIES

Chain of Custody and Analytical Request Record

Page 1 of 1

PLEASE PRINT (Provide as much information as possible.)

Company Name: Ur-Energy	Project Name, PWS, Permit, Etc.: Lost Creek	Sample Origin State: WY	EPA/State Compliance: Yes ☐ No ☐
Report Mail Address: 5880 Enterprise Dr. Suite 200 Casper, WY 82609	Contact Name: Chris Pedersen Phone/Fax: (970) 237-2057	Email: chris.pedersen@UR-Energy.com	Sampler: (Please Print) Chris Pedersen
Invoice Address: same	Invoice Contact & Phone:	Purchase Order:	Quote/Bottle Order:

Special Report/Formats:

☐ DW ☐ EDD/EDT (Electronic Data)
☐ POTW/WWTP Format: _____
☐ State: _____ ☐ LEVEL IV
☐ Other: _____ ☐ NELAC

Number of Containers
Sample Type: A Air W Water S Soils/Solids V Vegetation B Bioassay O Other D DW - Drinking Water

ANALYSIS REQUESTED

	SAMPLE IDENTIFICATION (Name, Location, Interval, etc.)	Collection Date	Collection Time	MATRIX	U-nat	Radium	SEE ATTACHED
1	Injection Header 1	8/3/13	10:52	2 W	X	X	
2	Spill 3	8/4/13	9:46	2 W	X	X	
3							
4							
5							
6							
7							
8							
9							
10							

Standard Turnaround (TAT)

→ RUSH

Contact ELI prior to RUSH sample submittal for charges and scheduling – See Instruction Page

Comments: C13080149

Shipped by: Hand
Cooler ID(s): 4156
Receipt Temp: 26.0 °C
On Ice: Y (N)
Custody Seal: On Bottle Y (N) On Cooler Y (N)
Intact: Y N
Signature Match: Y N

LABORATORY USE ONLY

Custody Record MUST be Signed

Relinquished by (print): Chris Pedersen	Date/Time: 8/5/13 14:29	Signature:	
Relinquished by (print):	Date/Time:	Signature:	
Received by (print):	Date/Time:	Signature:	
Received by (print):	Date/Time:	Signature:	
Received by Laboratory: Tessa Pack	Date/Time: 8/5/13 14:29	Signature:	

Sample Disposal: Return to Client: _____ Lab Disposal: _____

In certain circumstances, samples submitted to Energy Laboratories, Inc. may be subcontracted to other certified laboratories in order to complete the analysis requested.
This serves as notice of this possibility. All sub-contract data will be clearly notated on your analytical report.
Visit our web site at www.energylab.com for additional information, downloadable fee schedule, forms, and links.

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