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LOST CREEK ISR, LLC

January 23, 2017

40-9068

Document Control Desk
Nuclear Regulatory Commission
Washington, D.C. 20555-001

**Re: Release Report HH1-5
Lost Creek ISR Project SUA-1598**

Dear Mr. Saxton,

Pursuant to License Condition 11.6, Lost Creek ISR, LLC ("LCI") hereby provides a written report detailing a release of injection fluid that was reportable to the Wyoming Department of Environmental Quality (WDEQ). Using the spill report webpage, LCI notified WDEQ-Water Quality Division (WQD) of the spill on December 27, 2016 (Incident ID 161227-1048). Additionally, LCI notified WDEQ-LQD (Brian Wood) and NRC (John Saxton) of the release via email on the same day it was reported to the WQD. Initial reporting was delayed due to many personnel on leave over the holiday break. The uncontained release volume was estimated at approximately 582 gallons based on the area affected by the release. The release occurred from within Header House 1-5 (HH1-5) at T25N R92W Section 19 NW of NE qtr-qtr and the general area of release is shown on the **Figure** attached. A small portion of the release entered the dry ephemeral drainage just to the south of HH1-5.

The release was discovered by a wellfield operator on the evening of December 22, 2016 at approximately 21:52 hrs. Most of the release was contained within the HH basement but had overflowed to the outside of the building before the e-stop was engaged. Upon inspection, the operator discovered that the six inch polyethylene injection header pipe within the HH had ruptured at a fusion joint. Concentration of uranium (as U3O8) in the injection stream for that day was approximately 1.5 ppm. Soil samples have not been collected due to the wintery site conditions.

The immediate action to stop the flow from HH1-5 was to activate the emergency stop button on the exterior of the building. Injection from the HH remained off until sufficient personnel were available for the repairs. Minimal production was maintained for drawdown sustainment. Repairs were initiated on December 27, 2016 and injection resumed on December 28.

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


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If you have any questions regarding this letter or require additional information please feel free to contact me at the Casper Office.

Sincerely,



Michael D. Gaither
Manager EHS and Regulatory Affairs
Ur-Energy USA, Inc.

Attachments: **Figure: HH1-5 Patterns and Wells**

Cc: John Saxton, NRC Project Manager
U.S. Nuclear Regulatory Commission
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11545 Rockville Pike
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Bernadette Baca, NRC Inspector (via e-mail)
Brian Wood, WDEQ-LQD (via e-mail)
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