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LOST CREEK ISR, LLC

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July 30, 2014

NRC Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

**Re: Semi-Annual Reporting Pursuant to License Condition 11.1(B)
1st Half 2014
Lost Creek ISR Project, License SUA-1598**

To Whom It May Concern:

The following semi-annual report has been submitted in accordance with License Condition 11.1(B) for Lost Creek ISR, LLC's (LCI) Lost Creek ISR Project (LC-ISR) License SUA-1598. License Condition 11.1(B) requires semi-annual reporting of:

- Status of production areas in operation,
- Status of production areas in restoration,
- Status of any long-term excursions, and
- A summary of Mechanical Integrity Testing (MIT) of wells.

The reporting period for this report is January 1, 2014 through June 30, 2014.

Status of Production Areas in Operation

By the end of the reporting period, three header houses were in operation as approved by WDEQ-LQD. The following table (**Table 1**) provides a status of production for operating mine units as of the end of the reporting period:

Table 1: Operational Status Summary

Mine Unit	Header Houses	Status	Start Date	Wells Injecting*	Wells Producing*
Mine Unit 1	HH1-1	In Operation	02Aug2013	43	16
	HH1-2	In Operation	15Aug2013	40	19
	HH1-3	In Operation	18Sep2013	45	17
	HH1-4	In Operation	04Feb2014	53	16
	HH1-5	In Operation	11Mar2014	30	16
	HH1-6	Constructed	N/A	N/A	N/A
Mine Unit 2	N/A	Not constructed	N/A	N/A	N/A
Mine Unit 3	N/A	Not constructed	N/A	N/A	N/A

**As of the end of the half*

Status of Production Areas in Restoration

No restoration activities had been initiated during the reporting period.

Long-Term Excursions

No wells were placed on excursion status during the reporting period.

Summary of MITs

During the 1st half of 2014 a total of 126 MITs were performed. MITs were performed in accordance with the approved Permit Operations Plan Section 3.4. Results are summarized on **Attachment I**. The MITs resulted in 105 successful tests with 21 failures. Wells with failed tests were managed with one of the following actions:

- The well was retested with a successful test;
- The well was swabbed and retested with a successful test; or
- The well was designated faulty after one or more tests and was to be abandoned.

Of the 21 failures, 11 retests (10 wells) resulted in passing tests typically following the swabbing of the well. Of the 10 remaining failed tests, 6 wells are to be plugged and abandoned in accordance with procedures described in the approved License Application Technical Report Section 6.3.2.

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: **Attachment 1: Mechanical Integrity Testing**

Cc: 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
U.S. Nuclear Regulatory Commission
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11545 Rockville Pike, Two White Flint North
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John Saxton, NRC Project Manager (via e-mail)
Brian Wood, WDEQ-LQD, Lander (via e-mail)
Theresa Horne, Ur-Energy, Littleton (via e-mail)

ATTACHMENT I: MECHANICAL INTEGRITY TESTING
1ST HALF 2014
LOST CREEK ISR PROJECT SUA-I598

	Well ID	Well Type	MIT ⁽¹⁾ Date	P/F	P&A Date ⁽²⁾	Comments
1	11081	I	3/3/2014	Pass	N/A	
2	11082	I	3/3/2014	Pass	N/A	
3	11085	I	3/3/2014	Pass	N/A	
4	11090	I	3/20/2014	Pass	N/A	
5	11163	I	3/19/2014	Pass	N/A	
6	11195	I	5/14/2014	Pass	N/A	
7	11212	I	3/3/2014	Pass	N/A	
8	11270	I	3/19/2014	Pass	N/A	
9	11291	I	3/21/2014	Fail	N/A	Retest
10	11291	I	5/21/2014	Fail	TBA	
11	11292	I	4/15/2014	Pass	N/A	
12	11311	I	3/3/2014	Pass	N/A	
13	11315	I	2/28/2014	Pass	N/A	
14	11328A	I	3/19/2014	Pass	N/A	
15	11329	I	5/15/2014	Pass	N/A	
16	11339	I	6/24/2014	Pass	N/A	
17	11340	I	4/22/2014	Pass	N/A	
18	11341	I	4/21/2014	Pass	N/A	
19	11361	I	4/21/2014	Pass	N/A	
20	11362	I	5/23/2014	Pass	N/A	
21	11363	I	4/23/2014	Pass	N/A	
22	11364	I	5/23/2014	Pass	N/A	
23	11365	I	4/25/2014	Pass	N/A	
24	11366	I	4/17/2014	Pass	N/A	
25	11367	I	4/17/2014	Pass	N/A	
26	11369	I	4/21/2014	Pass	N/A	
27	11370	I	5/27/2014	Pass	N/A	
28	11371	I	4/22/2014	Pass	N/A	
29	11372	I	4/23/2014	Pass	N/A	
30	11373	I	4/28/2014	Pass	N/A	
31	11374	I	4/22/2014	Pass	N/A	
32	11375	I	4/28/2014	Pass	N/A	
33	11376	I	6/2/2014	Pass	N/A	
34	11377	I	6/12/2014	Pass	N/A	
35	11378	I	6/17/2014	Pass	N/A	
36	11381	I	6/25/2014	Fail	TBA	Failed to pressure up.
37	11382	I	6/12/2014	Fail	N/A	Failed; needs to be swabbed and re-tested.
38	11382	I	6/16/2014	Pass	N/A	Passed after swabbing.
39	11383	I	6/5/2014	Pass	N/A	
40	11384	I	4/28/2014	Pass	N/A	
41	11385	I	4/24/2014	Pass	N/A	
42	11386	I	4/25/2014	Pass	N/A	
43	11387	I	5/28/2014	Pass	N/A	
44	11388	I	6/5/2014	Pass	N/A	
45	11390	I	6/16/2014	Pass	N/A	
46	11401	I	4/15/2014	Pass	N/A	
47	11402	I	4/16/2014	Pass	N/A	
48	11555A	I	4/15/2014	Fail	N/A	Needs to be swabbed and re-tested.
49	11555A	I	5/21/2014	Pass	N/A	
50	11556	I	4/15/2014	Pass	N/A	

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	Well ID	Well Type	MIT ⁽¹⁾ Date	P/F	P&A Date ⁽²⁾	Comments
51	1I557	I	4/16/2014	Pass	N/A	
52	1I559	I	4/28/2014	Pass	N/A	
53	1I560	I	6/2/2014	Fail	N/A	Won't hold pressure; swab and re-test.
54	1I560	I	6/4/2014	Pass	N/A	
55	1I562	I	6/10/2014	Pass	N/A	
56	1I566	I	4/17/2014	Pass	N/A	
57	1I567	I	4/17/2014	Pass	N/A	
58	1I568	I	4/16/2014	Pass	N/A	
59	1I573	I	6/11/2014	Pass	N/A	
60	1I576	I	6/25/2014	Pass	N/A	
61	1I577	I	6/12/2014	Pass	N/A	
62	1I579	I	5/15/2014	Pass	N/A	
63	1I580	I	5/28/2014	Fail	N/A	Swabbed.
64	1I580	I	6/2/2014	Pass	N/A	
65	1I581	I	6/9/2014	Fail	N/A	Failed; needs to be swabbed.
66	1I581	I	6/10/2014	Pass	N/A	Passed after swabbing
67	1I582	I	6/16/2014	Fail	N/A	Failed; needs to be swabbed and re-tested.
68	1I582	I	6/17/2014	Pass	N/A	Swabbed and then passed.
69	1I596A	I	4/28/2014	Pass	N/A	
70	1I600	I	4/22/2014	Pass	N/A	
71	1I601	I	4/23/2014	Pass	N/A	
72	1I602	I	4/23/2014	Pass	N/A	
73	1I603	I	6/19/2014	Pass	N/A	
74	1I604	I	4/22/2014	Pass	N/A	
75	1I605	I	4/24/2014	Fail	N/A	Swab and re-test.
76	1I605	I	5/21/2014	Fail	TBA	Did not hold pressure
77	1I607	I	4/28/2014	Fail	N/A	Swab and re-test.
78	1I607	I	5/22/2014	Pass	N/A	
79	1I608	I	5/27/2014	Pass	N/A	
80	1I613	I	6/17/2014	Pass	N/A	
81	1I614	I	6/23/2014	Pass	N/A	
82	1P038	P	4/25/2014	Pass	N/A	
83	1P078A	P	3/19/2014	Pass	N/A	
84	1P078A	P	4/21/2014	Pass	N/A	
85	1P146	P	3/19/2014	Pass	N/A	
86	1P179	P	3/21/2014	Pass	N/A	
87	1P180	P	4/22/2014	Pass	N/A	
88	1P181	P	4/21/2014	Pass	N/A	
89	1P182	P	4/16/2014	Pass	N/A	
90	1P183	P	4/15/2014	Fail	N/A	
91	1P183	P	5/21/2014	Fail	TBA	
92	1P185	P	4/15/2014	Pass	N/A	
93	1P188	P	4/15/2014	Pass	N/A	
94	1P191	P	4/17/2014	Pass	N/A	
95	1P192	P	4/21/2014	Pass	N/A	
96	1P193	P	3/20/2014	Pass	N/A	
97	1P194	P	4/22/2014	Pass	N/A	
98	1P195	P	5/14/2014	Pass	N/A	
99	1P196	P	5/27/2014	Pass	N/A	
100	1P197	P	6/19/2014	Pass	N/A	

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	Well ID	Well Type	MIT ⁽¹⁾ Date	P/F	P&A Date ⁽²⁾	Comments
101	1P198	P	5/23/2014	Pass	N/A	
102	1P199	P	6/9/2014	Pass	N/A	
103	1P202	P	5/22/2014	Fail	N/A	Would not hold pressure; needs to be swabbed.
104	1P202	P	6/2/2014	Fail	TBA	Swabbed, but still won't hold pressure.
105	1P203	P	5/16/2014	Pass	N/A	
106	1P204	P	6/10/2014	Fail	N/A	Won't hold pressure; needs to be swabbed.
107	1P204	P	6/11/2014	Pass	N/A	
108	1P206	P	6/25/2014	Fail	TBA	
109	1P271	P	4/28/2014	Pass	N/A	
110	1P285	P	5/28/2014	Pass	N/A	
111	1P294	P	4/16/2014	Pass	N/A	
112	1P295	P	4/16/2014	Pass	N/A	
113	1P302	P	6/9/2014	Pass	N/A	
114	1P306	P	6/10/2014	Pass	N/A	
115	1P307	P	5/16/2014	Pass	N/A	
116	1P317	P	5/15/2014	Pass	N/A	
117	1P318	P	4/25/2014	Pass	N/A	
118	1P319	P	5/27/2014	Pass	N/A	
119	1P320	P	5/15/2014	Fail	N/A	
120	1P320	P	5/20/2014	Pass	N/A	
121	HJMP105	M	4/24/2014	Fail	N/A	Re-test at 60 psi.
122	HJMP105	M	5/20/2014	Fail	N/A	
123	HJMP105	M	5/20/2014	Pass	N/A	
124	MO-LC254	MO	3/14/2014	Pass	N/A	
125	MP107	I	4/17/2014	Pass	N/A	
126	MP111	P	6/20/2014	Pass	N/A	

105 Pass

21 Fail

126 Total

Of 11 failures 10 passing tests following retesting

(1) MIT method for "Monitoring Wells" as described in NRC License Application Technical Report Section 3.2.5. Test performed by using packer(s) to isolate casing interval and then pressurize well.

(2) Plugging and abandonment (P&A) performed according to NRC License Application Technical Report Section 6.3.2

TBA = To be abandoned

I = Class III Injection Well

P = Class III Production Well

M = Monitor Well

T = Pump Test Well