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**LOST CREEK ISR, LLC**

July 23, 2015

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

**RE: 60-day Excursion Report MU-109  
Lost Creek ISR Project PT788**

To Whom It May Concern,

In accordance with License Condition 11.5, this letter serves as the 60-day report for the excursion at the Lost Creek ISR Project for monitor well MU-109. This notification provides the following information:

- *Description of the excursion event*

A vertical excursion occurred at MU-109 associated with the HH1-6 area shown on attached figure "Header House 1-6 Patterns and Wells". The well, located south of the Lost Creek Fault, allows monitoring of the KM horizon which underlies the HJ mining horizon. The analysis of the sample collected from MU-109 on May 21, 2015 revealed elevated chloride and conductivity that exceeded the UCL value indicating a potential excursion. A confirmation sample was collected on May 26, 2015 resulting in a confirmation of excursion on May 27, 2015.

The likely cause of the excursion was the lack of sufficient production flow from the vicinity of MU-109 due to a mechanical failure of the pump in 1P074A and the underutilization of the production wells 1P075 and 1P077.

- *Corrective actions taken*

The pump was replaced in 1P074 on May 27<sup>th</sup> and the flow balance was adjusted for an increased production flow from the area south of the fault from wells 1P074A, 1P075, and 1P077. Injection south of the fault in the area of MU-109 was ceased. The injection had been adjusted as follows:

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- May 26, 2015 – In response to the elevated chloride/conductivity values (prior to verification of excursion), injector 11141A was shut off. Flow rates for injectors 11327 and 11142A were reduced.
- June 5, 2015 – Injectors 11327 and 11142A were shut off.
- June 29, 2015 – Injectors 11326, 11140 and 11143 were shut off.

Sampling of MU-109 has occurred on a weekly basis and will continue until the excursion has been fully corrected.

The corrective action is in accordance with NRC License Condition (LC) 11.5 and NRC License Technical Report Section 5.7.8.2 with respect to the course of action for an excursion lasting greater than 60 days. The option of terminating injection in the area has already been fulfilled as a result of the requirement for vertical excursions described in LC 10.10.

- *Corrective action results*

As shown in the data table (**Table 1**) and chart below (**Figure 1**), the concentrations of UCL parameters are returning to the nominal state, albeit somewhat erratically. The reduction of injection and increase of production is shown to affect the chemistry towards nominalization. The well will remain on excursion status until three consecutive weekly samples do not meet the excursion criteria.

**TABLE 1: UCL Data**

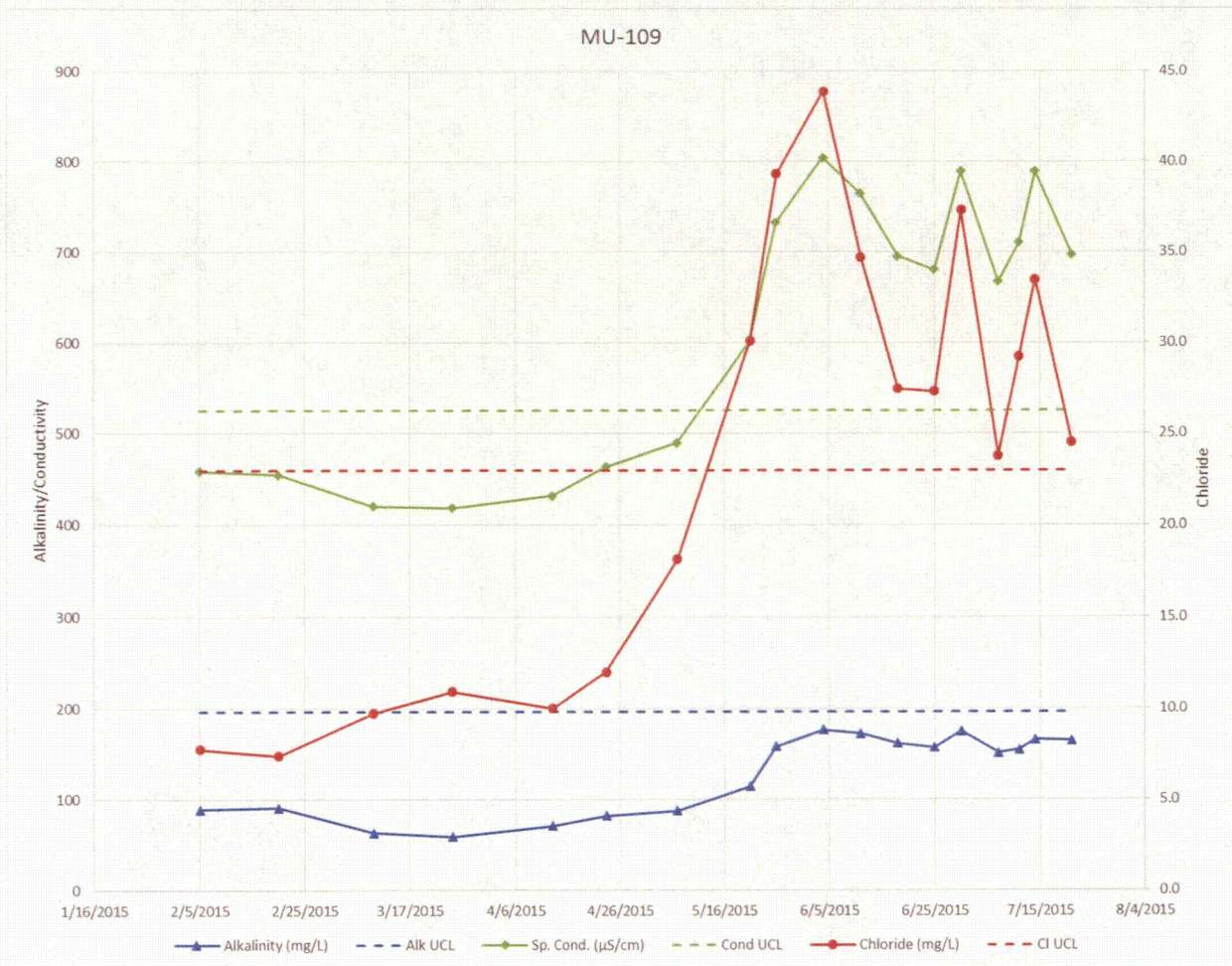
Client Sample ID	Collection Date	Alkalinity (mg/L)			Chloride (mg/L)			Sp. Cond. (µS/cm)		
		Assay	UCL	% Diff	Assay	UCL	% Diff	Assay	UCL	% Diff
MU-109	4/13/2015	71	196	-64	10.0	23	-57	432	525	-18
MU-109	4/23/2015	82	196	-58	12.0	23	-48	464	525	-12
MU-109	5/7/2015	88	196	-55	18.2	23	-21	490	525	-7
MU-109	5/21/2015	114	196	-42	30.1	23	<b>31</b>	601	525	14
MU-109	5/26/2015	158	196	-19	39.3	23	<b>71</b>	732	525	<b>39</b>
MU-109	6/4/2015	177	196	-10	43.9	23	<b>91</b>	804	525	<b>53</b>
MU-109	6/11/2015	172	196	-12	34.7	23	<b>51</b>	764	525	<b>46</b>
MU-109	6/18/2015	162	196	-17	27.5	23	19	695	525	<b>32</b>
MU-109	6/25/2015	157	196	-20	27.3	23	19	680	525	<b>30</b>
MU-109	6/30/2015	175	196	-11	37.3	23	<b>62</b>	789	525	<b>50</b>
MU-109	7/7/2015	151	196	-23	23.8	23	3	667	525	<b>27</b>
MU-109	7/11/2015	155	196	-21	29.2	23	<b>27</b>	710	525	<b>35</b>
MU-109	7/14/2015	166	196	-15	33.5	23	<b>45</b>	789	525	<b>50</b>
MU-109	7/21/2015	165	196	-16	24.5	23	7	697	525	<b>33</b>

*Italics: Percent difference is between 0% and 20%*

***Bold Italics: Percent difference is greater than 20%***



FIGURE 1: MU-109 UCL Data Trends



Please contact me at the Casper office if you have any questions regarding this submittal.

Regards,

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



Attachments: Figure as stated

Cc: Deputy Director, Decommissioning and Uranium Recovery Licensing Directorate  
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