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LOST CREEK ISR, LLC

August 24, 2015

Brian Wood
State of Wyoming
Department of Environmental Quality - Land Quality Division
510 Meadowview Drive
Lander, WY 82520

RE: MU-109 Excursion Monthly Report #3
Lost Creek ISR Project PT788

Mr. Wood,

This is the third monthly report on the excursion at monitor well MU-109 for the Lost Creek ISR Project. The following information has been included in accordance with the requirements for monthly reports in the Operations Plan Section 3.6.4.3. Well locations are displayed on the Header House 1-6 area map included as **Attachment 1**.

- *Concentrations of UCL Parameters for MU-109 and Vicinity*

The data provided on **Table 1** and **Table 2** below includes the recent water quality for MU-109 and wells in the vicinity wells in the vicinity including:

- M-109 (monitor ring well to the south)
- M-110 (monitor ring well to the southwest), and
- MO-108 and KPW-2 (Monitors to the north for overlying and underlying horizons)

TABLE 1: MU-109 Data

Client Sample ID	Collection Date	Alkalinity (mg/L)			Chloride (mg/L)			Sp. Cond. (µS/cm)		
		Assay	WDEQ UCL	% Diff	Assay	WDEQ UCL	% Diff	Assay	WDEQ UCL	% Diff
MU-109	4/13/2015	71	206	-66	10.0	21	-53	432	659	-34
MU-109	4/23/2015	82	206	-60	12.0	21	-44	464	659	-30
MU-109	5/7/2015	88	206	-57	18.2	21	-15	490	659	-26
MU-109	5/21/2015	114	206	-45	30.1	21	41	601	659	-9
MU-109	5/26/2015	158	206	-23	39.3	21	85	732	659	11
MU-109	6/4/2015	177	206	-14	43.9	21	106	804	659	22
MU-109	6/11/2015	172	206	-16	34.7	21	63	764	659	16
MU-109	6/18/2015	162	206	-21	27.5	21	29	695	659	5
MU-109	6/25/2015	157	206	-24	27.3	21	28	680	659	3
MU-109	6/30/2015	175	206	-15	37.3	21	75	789	659	20
MU-109	7/7/2015	151	206	-27	23.8	21	12	667	659	1
MU-109	7/11/2015	155	206	-25	29.2	21	37	710	659	8
MU-109	7/14/2015	166	206	-19	33.5	21	57	789	659	20
MU-109	7/21/2015	165	206	-20	24.5	21	15	697	659	6
MU-109	7/28/2015	159	206	-23	28.1	21	32	702	659	7
MU-109	8/4/2015	157	206	-24	26.7	21	25	702	659	7
MU-109	8/12/2015	128	206	-38	15.7	21	-26	598	659	-9
MU-109	8/18/2015	144	206	-30	19.6	21	-8	637	659	-3

Italics: Percent difference is between 0% and 20%
Bold Italics: Percent difference is greater than 20%

Figure 1 below shows the data trends for MU-109.

FIGURE 1: MU-109 UCL Data Trends



The analytical data for the vicinity wells (**Table 2**) are very stable and reveal no increasing trends.

TABLE 2: Data for Wells in the Vicinity of MU-109

Client Sample ID	Collection Date	Alkalinity (mg/L)			Chloride (mg/L)			Sp. Cond. (µS/cm)		
		Assay	WDEQ UCL	% Diff	Assay	WDEQ UCL	% Diff	Assay	WDEQ UCL	% Diff
M-109	6/3/2015	121	186	-35	6.1	21	-70	592	1012	-42
M-109	6/23/2015	129	186	-30	6.2	21	-70	589	1012	-42
M-109	7/8/2015	111	186	-41	6.1	21	-70	553	1012	-45
M-109	8/5/2015	110	186	-41	6.1	21	-70	562	1012	-44
M-110	6/4/2015	114	186	-39	5.1	21	-75	523	1012	-48
M-110	6/23/2015	121	186	-35	7.2	21	-65	570	1012	-44
M-110	7/8/2015	109	186	-41	6.9	21	-66	547	1012	-46
M-110	8/5/2015	118	186	-37	6.8	21	-67	572	1012	-44
MO-108	6/5/2015	109	182	-40	7.3	21	-66	491	922	-47
MO-108	6/18/2015	100	182	-45	6.4	21	-70	485	922	-47
MO-108	7/11/2015	103	182	-44	6.9	21	-68	489	922	-47
MO-108	8/6/2015	105	182	-43	6.7	21	-69	493	922	-47
KPW-2	6/5/2015	105	206	-49	5.3	21	-75	421	659	-36
KPW-2	6/18/2015	110	206	-47	5.3	21	-75	472	659	-28
KPW-2	7/11/2015	100	206	-51	5.8	21	-73	481	659	-27
KPW-2	8/6/2015	103	206	-50	5.2	21	-76	482	659	-27

- *Evidence the Excursion is Being Controlled*

As shown in the data chart above (**Figure 1**), the concentrations of UCL parameters are returning to the nominal state, albeit somewhat erratically. The data for August 12 and 18 are all less than the UCL limit. The well will remain on excursion status unless the following weekly sample does not meet the excursion criteria which would fulfil the requirement of three consecutive weeks of non-excursion status.

- *Review of Adequacy of the Bond*

Since the excursion is being controlled, the current, approved bond as provided in the 2014 Annual Report is adequate.

- *Corrective Actions Taken*

All injection south of the fault in the area of MU-109 remains off. Production flow from 1P074A, 1P075, and 1P077 is continuing. Additional flow adjustments that were made on August 7 include:

- Injection flow in well 11147A was stopped.
- Production flow in well 1P077 was reduced.

- Production flow in wells 1P074A and 1P075 was slightly reduced.

The recent flow adjustments show an apparent immediate effect of returning the water quality in MU-109 to a nominal state.

Sampling of MU-109 has occurred on a weekly basis and will continue until the excursion has been fully corrected. The samples have been submitted for Guideline 8 parameters since July 7 and will continue to be submitted and analyzed for LQD Guideline 8 parameters on a weekly basis until the excursion is resolved. Results of the Guideline 8 analysis are included as **Attachment 2**.

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

Regards,

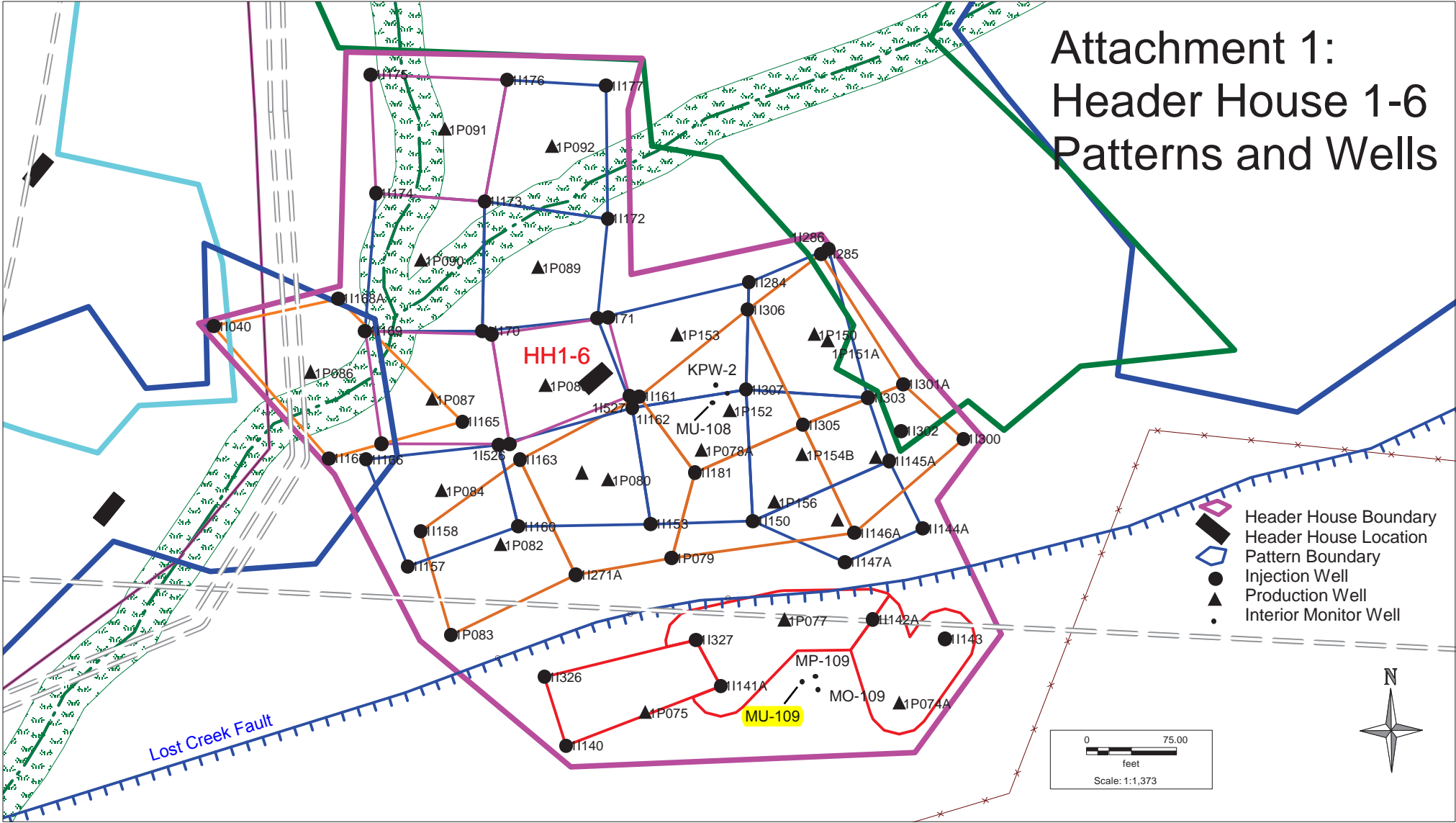


Michael D. Gaither
Manager EHS and Regulatory Affairs
Ur-Energy USA, Inc.

Attachments: **Attachment 1: Header House 1-6 Patterns and Wells**
Attachment 2: MU-109 Guideline 8 Analytical Data

Cc: John Saxton, NRC Project Manager (via email)
Theresa Horne, Ur-Energy Littleton Office (via email)

Attachment 1: Header House 1-6 Patterns and Wells



Attachment 2: MU-109 Guideline 8 Analytical Data
Lost Creek ISR Project PT788

Well ID	Sample Date																																																				
		mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	umhos/cm	s. u.	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	pCi/L	pCi/L	pCi/L	pCi/L	pCi/L	pCi/L	pCi/L	pCi/L	%	meq/L	meq/L	mg/L	unitless											
		A2320 B	A2320 B	A2320 B	E200.8	E300.0	A4500 - F C	E200.8	A4500- NH3 G	E353.2	E200.8	E200.8	E200.8	E200.8	E200.8	E200.8	E200.8	E200.8	E200.8	E200.8	E200.8	E200.8	E200.8	E200.8	E200.8	E200.8	E200.8	E200.8	E200.8	E200.8	E200.7	E200.7	E900.0	E900.0	E900.0	E900.0	E900.0	E900.0	E903.0	E903.0	RA-05	RA-05	RA-05	A1030 E	A1030 E	A1030 E	A1030 E						
		Alkalinity, Total as CaCO3	Carbonate as CO3	Bicarbonate as HCO3	Calcium	Chloride	Fluoride	Magnesium	Nitrogen, Ammonia as N	Nitrogen, Nitrate+Nitrite as N	Potassium	Silica	Sodium	Sulfate	Conductivity @ 25 C	pH	Solids, Total Dissolved TDS	Aluminum (dissolved)	Arsenic (dissolved)	Barium (dissolved)	Boron (dissolved)	Cadmium (dissolved)	Chromium (dissolved)	Copper (dissolved)	Iron (dissolved)	Lead (dissolved)	Manganese (dissolved)	Mercury (dissolved)	Molybdenum (dissolved)	Nickel (dissolved)	Selenium (dissolved)	Uranium (dissolved)	Vanadium (dissolved)	Zinc (dissolved)	Iron (total)	Manganese (total)	Gross Alpha	Gross Alpha precision (±)	Gross Alpha MDC	Gross Beta	Gross Beta precision (±)	Gross Beta MDC	Radium 226	Radium 226 precision (±)	Radium 226 MDC	Radium 228	Radium 228 precision (±)	Radium 228 MDC	A/C Balance (± 5)	Anions	Cations	Solids, Total Dissolved Calculated	TDS Balance (0.80 - 1.20)
MU-109	7/7/2015	157	ND	192	100	24	0.1	4	ND	ND	3	17.8	36	167	678	7.53	449	ND	0.002	ND	ND	ND	ND	ND	0.01	ND	0.02	ND	ND	ND	ND	0.0039	ND	ND	0.08	0.01	21.6	5.2	2.5	11.1	2.1	3.1	5.9	1.2	0.21	6.7	1.6	1.3	-2.76	7.32	6.93	450	1.0
MU-109	7/14/2015	178	ND	218	124	33	0.1	5	ND	ND	3	18.2	42	198	787	7.27	530	ND	0.002	ND	ND	ND	ND	ND	0.07	ND	0.02	ND	ND	ND	ND	0.0034	ND	ND	0.08	0.02	17.2	4.6	3.0	9.8	2.5	4.0	5.8	1.2	0.17	5.7	1.3	1.0	-1.11	8.64	8.45	530	0.99
MU-109	7/21/2015	157	ND	192	109	25	0.1	4	ND	ND	3	18.1	39	179	703	7.50	464	ND	0.001	0.1	ND	ND	ND	ND	0.05	ND	0.02	ND	ND	ND	ND	0.0043	ND	ND	0.07	0.02	23.5	5.6	2.7	11.1	2.3	3.5	5.7	1.2	0.19	4.7	1.2	1.4	0	7.56	7.56	480	0.97
MU-109	7/28/2015	166	ND	203	107	25	0.1	4	ND	ND	3	18.0	37	168	706	7.54	469	ND	0.002	ND	ND	ND	ND	ND	0.08	ND	0.02	ND	ND	ND	ND	0.0042	ND	ND	0.11	0.02	24.4	5.6	2.3	11.9	2.1	3.0	4.6	0.96	0.18	5.8	1.3	1.2	-1.35	7.54	7.34	470	1.0
MU-109	8/4/2015	158	ND	193	112	24	0.1	4	ND	ND	3	18.2	39	168	711	7.55	469	ND	0.002	ND	ND	ND	ND	ND	0.12	ND	0.02	ND	ND	ND	ND	0.0034	ND	ND	0.15	0.02	15.2	4.3	2.7	13.2	2.9	4.4	4.9	1.0	0.17	6.7	1.5	1.1	2.19	7.36	7.69	470	1.0