

COLORADO OFFICE  
10758 W. CENTENNIAL RD., STE. 200  
LITTLETON, CO 80127  
TEL: (866) 981-4588  
FAX: (720) 981-5643



**LOST CREEK ISR, LLC**

WYOMING OFFICE  
5880 ENTERPRISE DR., STE. 200  
CASPER, WY 82609  
TEL: (307) 265-2373  
FAX: (307) 265-2801

February 8, 2017

40-9068

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

**Re: Release Report 11365  
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 January 9, 2017 (Incident ID 170109-1520). 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. The release volume was initially estimated at approximately 3,654 gallons based on the area affected by the release. The release originated from injection well 11365 at T25N R92W Section 18 SE of SE qtr-qtr and is shown on the **Figure** attached. The release did not enter any drainage.

The release was discovered by a wellfield operator on January 9, 2017 at approximately 0930 hrs. The majority of the release was under snow cover and had not been spotted until enough fluid surfaced. The source of the release was an injection vent that had frozen and broken due to the extremely cold weather. The insulation jacket was properly on the well head at the time. The leak detection in the well cover had malfunctioned and did not alert operators of the leak. Concentration of uranium (as U3O8) in the injection stream at HH1-9 on the day of the release was approximately 1.3 ppm.

The immediate action to stop the flow at 11365 was to shut off the well at the header house. The vent was replaced with a "pop-off" style pressure relief valve but the well will remain off and tagged out until the leak detection system is repaired and functioning.

Other corrective actions include:

- Injection well vents have been shut off to prevent freeze damage and will be manually vented, as necessary, during the rest of the cold season.

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- The leak detections sensors for the injection wells are in the process of being tested. The testing has been partially completed focusing on operational wells first.
- Replacement of the old style vents with pressure "pop-offs" is being conducted when wells are serviced and will continue until all vents have been replaced.
- A more routine leak detection testing plan is being developed.

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.

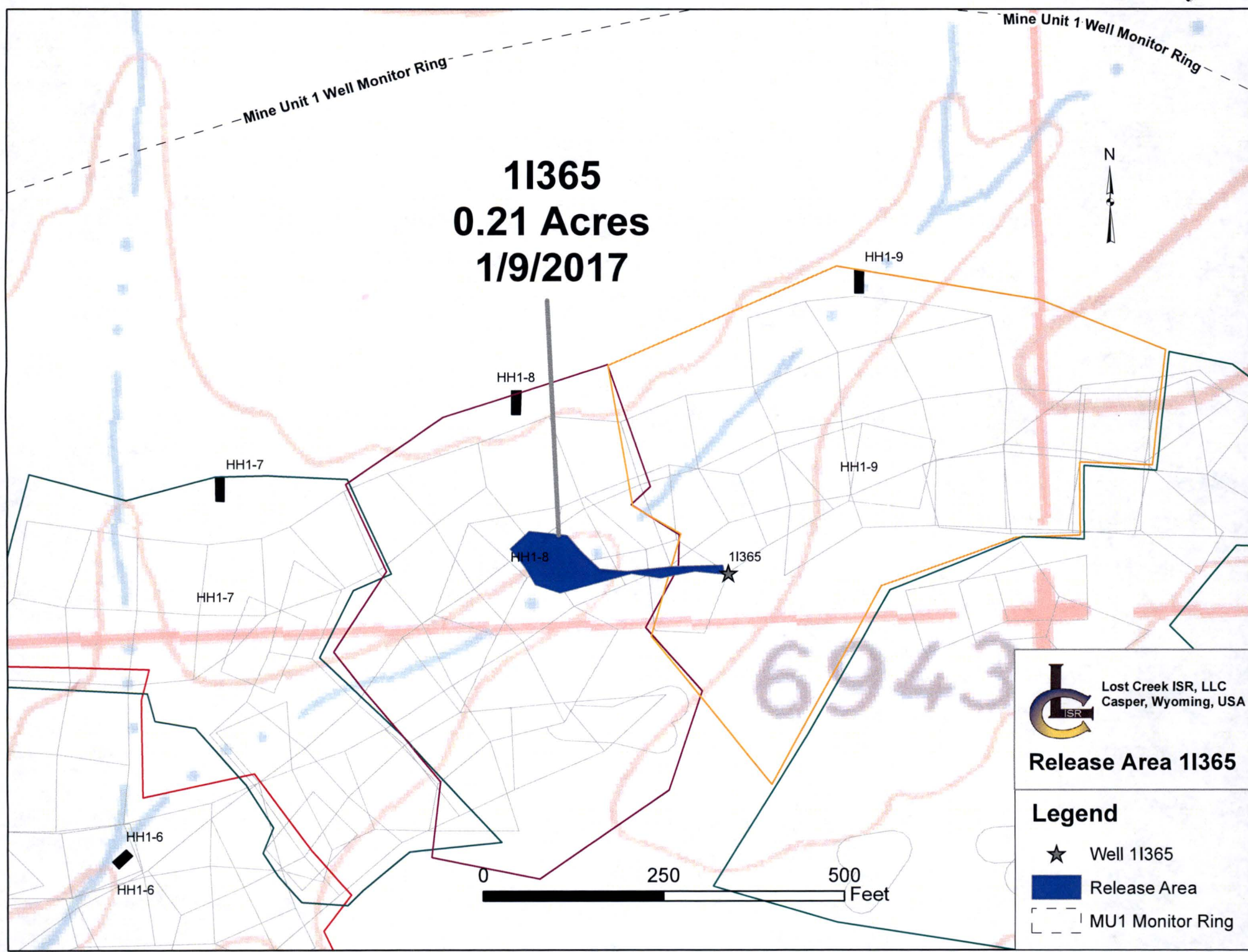
Attachments: **Figure: 11365 Release Area**

Cc: John Saxton, NRC Project Manager  
U.S. Nuclear Regulatory Commission  
Mail Stop T-8F5  
11545 Rockville Pike  
Rockville, MD 20852  
Bernadette Baca, NRC Inspector (via e-mail)  
Brian Wood, WDEQ-LQD (via e-mail)  
Theresa Horne, Ur-Energy, Littleton (via e-mail)

Mine Unit 1 Well Monitor Ring

Mine Unit 1 Well Monitor Ring

**11365**  
**0.21 Acres**  
**1/9/2017**



Lost Creek ISR, LLC  
Casper, Wyoming, USA

**Release Area 11365**

**Legend**

- ★ Well 11365
- Release Area
- - - MU1 Monitor Ring