UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
612 EAST LAMAR BLVD, SUITE 400
ARLINGTON, TEXAS 76011-4125

September 3, 2009

TO: Docket File 040-09068

THROUGH: Jack E. Whitten, Chief ***/RA/***
Nuclear Materials Safety Branch B

FROM: Robert Evans, CHP, PE, Senior Health Physicist ***/RA/***
Nuclear Materials Safety Branch B

SUBJECT: LOST CREEK PROJECT SITE VISIT

On August 6, 2009, NRC staff conducted a site visit of the Lost Creek Project, a uranium recovery facility being developed in Sweetwater County, Wyoming, by Lost Creek ISR LLC of Casper, Wyoming. Attached to this Memorandum is the trip report for this site visit. No regulatory issues or safety concerns were identified during the site visit.

Docket Number: 040-09068
License Number: None

Enclosure: NRC Trip Report

bcc w/enclosure:
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FINAL: R:_DNMS\!2009\Lost Creek Site Visit Aug 2009.doc ML0xxxxxxxx

ADAMS	■Yes ☐ No	■SUNSI Rev Complete	Reviewer Initials:	RJE
Publicly Avail.	■Yes ☐ No	Sensitive Value:		

RIV:DNMS:NMSB-B	C:NMSB-B		
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09/01/09	09/02/09		

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NRC Trip Report

U.S. NUCLEAR REGULATORY COMMISSION
REGION IV

Docket No.:	040-09068
License No.:	None
Report No.:	None
Applicant:	Lost Creek ISR, LLC
Facility:	Lost Creek Project
Location:	Sweetwater County, Wyoming
Date:	August 6, 2009
Inspectors:	Robert Evans, PE, CHP, Senior Health Physicist Nuclear Materials Safety Branch B Linda M. Gersey, Health Physicist Nuclear Materials Safety Branch B
Accompanied By:	Tanya Palmateer Oxenberg, PhD, Project Manager Uranium Recovery Licensing Branch Division of Waste Management and Environmental Protection Office of Federal and State Materials and Environmental Management Programs James Webb, Health Physicist Uranium Recovery Licensing Branch Division of Waste Management and Environmental Protection Office of Federal and State Materials and Environmental Management Programs John Saxton, Hydrogeologist Uranium Recovery Licensing Branch Division of Waste Management and Environmental Protection Office of Federal and State Materials and Environmental Management Programs
Approved By:	Jack E. Whitten, Chief Nuclear Materials Safety Branch B
Attachment:	None

ENCLOSURE

NRC Trip Report

Background

On March 20, 2008, Lost Creek ISR LLC (the applicant) resubmitted a source material license application to the NRC for review and approval. The applicant proposed to build and operate an in-situ recovery facility in Sweetwater County, Wyoming. Lost Creek ISR LLC is a Wyoming limited liability company that is wholly owned by Ur-Energy USA Inc. of Littleton, Colorado. An acceptance review of the application was completed by the NRC during June 2008. The NRC staff commenced with a technical review of the application, and the NRC submitted a request for additional information to the applicant by letter dated November 6, 2008. The applicant subsequently responded with additional information by letters dated December 12, 2008, and January 16, 2009.

As part of the license application review process, NRC staff conducted a separate review of the applicant's environmental report. The NRC submitted a request for additional information to the applicant about the environmental report in a letter dated March 16, 2009. The applicant responded with additional information by letter dated June 11, 2009.

On April 3, 2008, the applicant submitted a request to drill several delineation and exploration holes and to install the monitoring well system to the field offices of the Wyoming Department of Environmental Quality–Land Quality Division (WDEQ-LQD) in Lander, Wyoming, and the Bureau of Land Management (BLM) in Rawlins, Wyoming. The WDEQ-LQD approved the request and the BLM determined that an Environmental Assessment was not required. The applicant installed 67 wells between July 21 and October 20, 2008. According to its letter dated May 22, 2009, the applicant did not request NRC prior approval to install the monitoring well system because the applicant understood the monitoring system was part of the preconstruction activities defined in 10 CFR 40.32(e). The applicant requested an exemption to 10 CFR 40.32(e) to allow the installation of roads, power lines, deep wells, fencing, and the construction of the plant/office, maintenance, and driller's buildings.

At the time of the site visit, the NRC had not issued the exemption or the license pending NRC's completion of all technical reviews. The NRC held a conference call with the applicant during April 2009, and the applicant submitted a response to the questions presented during the conference call to the NRC project manager during the site visit. The NRC is expected to issue a license to Lost Creek ISR LLC in the near future. At that time, the applicant is expected to commence with the construction of the Lost Creek Project facility.

Site Status

The onsite staffing consisted of three geologists, five field workers, and about 10 drillers. The major activity in progress during the site visit was the drilling of delineation wells. Three drilling rigs were in service, and each rig was supported by 3-4 drillers. The applicant's field workers provided support for the drillers.

The applicant plans to install about 200 delineation wells during this construction season. These wells will be located within the area designated as Mine Unit 2. At the time of the site visit, about 30 wells had been completed. The applicant previously installed five water supply wells and about 225 monitoring wells on the site property. The water supply wells were being used to support drilling operations. In addition, three water tanks were in service for storing water for drilling operations.

A deep exploration well had been constructed at the site. This well may be used in the future as a deep disposal well, following approval by the State of Wyoming.

The applicant operates a meteorological tower to monitor and record weather conditions at the site. The applicant also conducted sage grouse and raptor monitoring. High volume air sampling was in progress for the measurement of baseline radionuclide particulate concentrations.

The NRC staff discussed the applicant's future plans with the onsite representatives. Once the NRC issues the license, the applicant will begin constructing the facility. The applicant has selected the proposed location of the processing plant and two holding ponds. The applicant previously installed monitoring wells around Mine Unit 1, although the applicant is aware that the monitor wells may have to be relocated depending on the final design of the first mine unit.

The NRC staff also discussed the status of the Lost Soldier Project with the applicant. By letter dated March 2, 2009, the applicant notified the NRC that an application for the Lost Soldier Project will be submitted as a license amendment after the NRC has issued a license for the Lost Creek Project. The applicant's representatives stated that no field work was in progress at the Lost Soldier Project site.

Lost Creek ISR, LLC Officials Contacted

J. Cash, Manager of Environment, Health, Safety and Regulatory Affairs
W. Heili, Vice President, Mining & Engineering

Lost Creek Site Photos

Figure 1: Location of future Mine Unit 1

Figure 2: Drilling of delineation well in future Mine Unit 2