

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



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

LOST CREEK ISR, LLC

September 19, 2014

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

**Re: 7-Day Notification of Spill – 11166 (Report #14)
Lost Creek ISR Project Permit #788**

Dear Mr. Wood,

Pursuant to Wyoming Department of Environmental Quality (WDEQ) regulation, Lost Creek ISR, LLC ("LCI") hereby provides a written report detailing a release of injection fluid that was reportable to WDEQ. Using the spill report webpage, LCI notified WDEQ of the spill on September 14, 2014 (Incident ID 140915-1258). LCI notified the NRC of the spill via email to John Saxton and Linda Gersey on the same day it was reported to the WDEQ. Spill volume was estimated to be approximately 370 gallons which is not greater than the reportable limit of 420 gallons. However, the spill did reach the dry ephemeral drainage to the southwest of the well. The spill originated from well 11166 near Header House 1-6 (HH1-6) within Mine Unit 1 in the NE quarter of the NE quarter of Section 19, T25N, R92W and is shown on **Figure 1** attached.

The spill was discovered by a wellfield operator during routine inspections of the wellfield at approximately 1320 hrs on September 14, 2014. It was believed that spill started sometime after 1020 hrs that same day since the previous inspection of the area at that time did not reveal a spill. The fluid originated at well 11166 and flowed past well 11167, just to the west of 11166, and then northwest to the drainage. The soil around the well was excavated to investigate the source of the leak. The source was discovered to be a crack in the casing approximately 1 foot long extending down from just below the ground surface. The crack was believed to be the result of damage to the well sustained in late 2013 but there was no evidence of leakage prior to the spill. Records had not been maintained of the repair or follow-up MIT by the Drill Supervisor at the time and therefore it is not known if a new mechanical integrity test (MIT) had been completed following the repairs. (The Drill Supervisor on staff at the time is no longer with the Company). The initial MIT for the well on August 8, 2013 had passed. A sample of the spilled water was collected and will be analyzed for uranium. Composite soil samples were also collected from the spill area and will be analyzed for uranium and Ra-226.

The immediate corrective action was to shut down flow to the well from the associated header house (HH1-6). Other corrective actions include:

- The well casing was repaired and an MIT will be performed prior to use. The MIT truck was not immediately available due to necessary repairs. (To be completed prior to well use)
- Modifying the MIT procedure OPS-022 to provide better clarity on the requirement and importance of performing MITs following well repairs. (To be completed by October 3)
- Discussing the SOP changes and the need for MITs following repairs to injection wells. (To be completed by October 17)
- Investigate and review records to verify if any well that has been repaired has had an MIT performed. (To be completed by October 31)

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 1: Spill 11166**

Cc: John Saxton, NRC Project Manager (via e-mail)
Linda Gersey, NRC Inspector (via e-mail)
Theresa Horne, Ur-Energy, Littleton (via e-mail)

