

Attachment MU1 1-1

**Lost Creek Project - Mine Unit One
MU1 Monitor Well Plan**

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

August 4, 2008

Melissa L. Bautz
Senior Environmental Analyst
State of Wyoming Dept. of Environmental Quality
Land Quality Division
510 Meadowview Drive
Lander, WY 82520

Re: Drilling Notification No. 334DN; Revision to Update 4

Dear Mrs. Bautz,

Recently, BLM determined an Environmental Assessment (EA) is necessary before approving certain construction aspects of Lost Creek ISR, LLC's (LC ISR) application dated June 5, 2008. However, LC ISR is currently involved in the EA process with the Nuclear Regulatory Commission for this property and does not wish to initiate a redundant EA at this time. Therefore, please find behind this cover letter an Updated Plan of Operations without the activities which require an EA. Specifically, this Update will add the installation of the Deep Exploration Well.

An updated Form 9 covering the work proposed in the updated Plan of Operations, an area map, and a table detailing the remaining bond for each DN Update is included with this letter. The additional 10% fuel contingency and increase in revegetation costs is applied to Updates 3 and 4 since most of this work has not been performed yet. The total number of monitor wells has been significantly reduced from earlier conservative numbers that were developed before the exact shape of the first mine unit was known. The total bond required to reclaim the entire site, inclusive of any disturbance created by Update 4, is \$1,088,800. A bond of \$968,000 is currently in place so an additional \$120,800 will need to be posted.

As discussed during our June 25th meeting at the WDEQ-LQD Lander Field Office, please find enclosed a Monitor Well Plan for Mine Unit 1. The bond for the monitor well was previously approved and work has been initiated on installing the outer ring of monitor wells.

Finally, as requested during our June 25th meeting, please find below additional information regarding the installation of the deep exploration well. The well is being installed for the purposes of mineral exploration and to gain a better understanding of geologic conditions.

The surface hole (approximately 3,000 feet) likely will be drilled with fresh water and sweeps of gel (bentonite). The production hole (3,000 to approximately 11,000 feet) will be drilled with low-solids non-dispersed mud typical of oil and gas wells drilled in Wyoming. Additives to maintain fluid properties will depend on mud and hole condition. Significant lost circulation is not anticipated, but if encountered would be handled with conventional additives (sawdust, mica, walnut hulls, cottonseed hulls, etc.).

Upon completion of the hole, a full suite of geophysical logs is anticipated. The logs likely will include, at a minimum, SP, gamma, induction resistivity, conductivity and porosity (neutron/density or sonic).

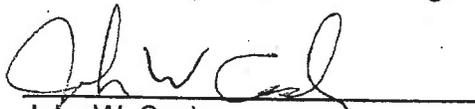
ASTM pipe will be used for the conductor casing (set to approximately 60 to 90 feet). API tubulars will be used for the surface and production casing. The casing program has not been finalized, and may depend on availability of certain types of casing. Regardless, the casing design will be consistent with typical oilfield practices; standard oilfield design criteria (tension, burst, collapse) will be used.

ASTM cement (Type I/II) will be used to isolate the conductor casing. API cements will be used on the surface and production casing. The cement design has not been finalized. In general, however, the cement likely will consist of "Lite" lead (approx. 11.4 to 12.0#/gallon) and Class G tail (approximately 15.6#/gallon). The lite cement will be used to lighten the cement column in an effort to prevent lost circulation during cementing. The anticipated bottom-hole temperature at total depth (11,000') likely will be approximately 180 degrees F. Typical ultimate strength of the tail (Class G) cement is on the order of 4,000 psi. Final design values can be provided at a later time if requested.

Centralizers will be used as warranted to center the casing in the well and enhance the quality of the cement job. A float shoe and float collar will be used for the surface and production casing. Dual wiper plugs will also be used. Because of significant depth, it is possible the production casing will be cemented in two stages, with the stage tool placed at an approximate depth of 6,000 feet. The hole will be conditioned as warranted prior to cementing casing.

If you need any additional information, please do not hesitate to contact me at the Casper office.

Sincerely,
Lost Creek ISR, LLC
By: Ur-Energy USA Inc., Manager



John W. Cash
Manager EHS and Regulatory Affairs

Cc: Nancy Fitzsimmons, URE, Littleton, CO

Attachments: DN9; Update 4
Mine Unit 1 Monitor Well Plan
Table of Bond Status



UNIT DRILLING COMPANY

RIG 138

WORKING DEPTH: 11,000'

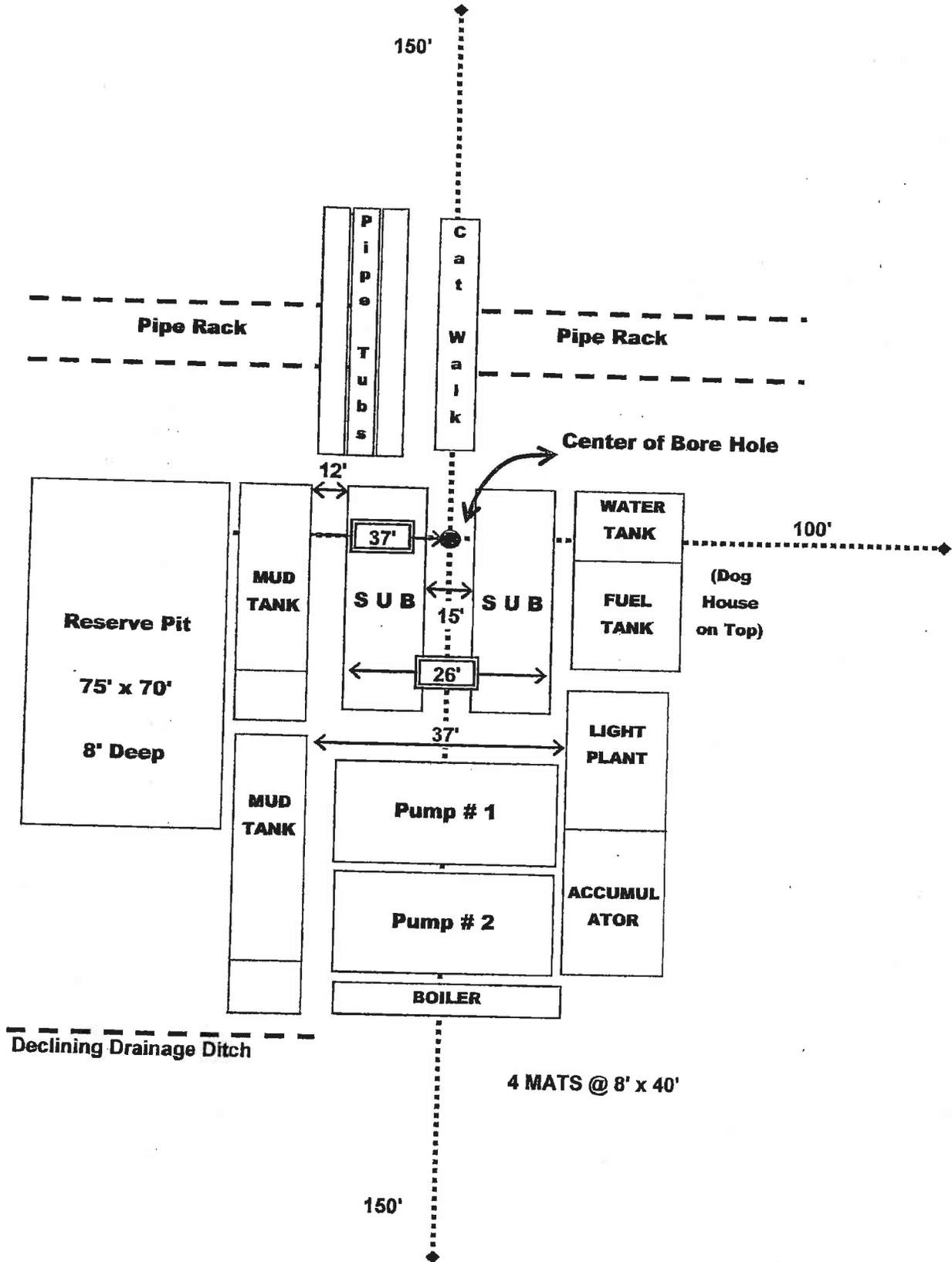
NOTE: SUMMARY IS SUBJECT TO CHANGE

DRAWWORKS	Brewster Powered by: Auxiliary Brake:	N-46 700 HP 2 C-15 Caterpillar diesel engines w/ National torque converters Parmac V-80
SCR HOUSE	N/A	
POWER	2 - 275 KW CAT SR4-275 generators powered by Caterpillar 3406 diesel engines	
#1 PUMP	Oilwell 1100 PT Powered by:	Triplex 50 HP 5 X 6 X 10 Mag Changer Caterpillar D-399 diesel engine
#2 PUMP	Oilwell 850B-PT Powered by:	Triplex 50 HP 5 X 6 X 10 Mag Changer Caterpillar D-398 diesel engine
#3 PUMP	N/A Powered by:	
MAST	135' Lee C. Moore	413,000#
SUBSTRUCTURE	12' H x 46' L x 26' W 413,000# capacity	
TRAVELING EQUIPMENT	Block: Hook: Swivel: Top Drive:	IDECO shorty unitized with hook265 I Oilwell PC 225 ton N/A
ROTARY TABLE	Emsco 20 1/2"	
BOP EQUIPMENT	Ram Preventor: Annular Preventor: Closing Unit:	11" 5,000# Atlas 11" 5,000# Shaffer Valvcon 150 gallons with 4 station closing unit
DRILL PIPE	4 1/2" 16.60# 329-G-105	
DRILL COLLARS	18 - 6" 4-1/2 XH & 2 - 8" 6-5/8 Reg	
MUD SYSTEM	Working Pits:	Sand: 30'L x 9'W x 7'D Suction: 30'L x 9'W x 7'D
SOLIDS CONTROL EQUIPMENT	Premix Pit: Mud Mixing Pumps:	19'L x 10'W x 9'D 3 Mission Magnum 5" x 6" x 10" centrifugal
	Shale Shaker: Desander: Desilter: Prime Movers: Degasser:	2 - Swaco linear motion Harrisburg 2-cone Swaco 8-cone 3 agitators w/ 5 HP electric motors
AUXILIARY EQUIPMENT	Water Tank: Fuel Tank: Penetration Recorder: Survey Instrument: Pipe Spinner: Kelly Spinner: Mud House: Trip Tank: Transformer:	450 bbl 10,000 gallons Pason A-1 Sure-Shot 7 degree

Last Updated
JS
2/3/2006

Unit Drilling Company

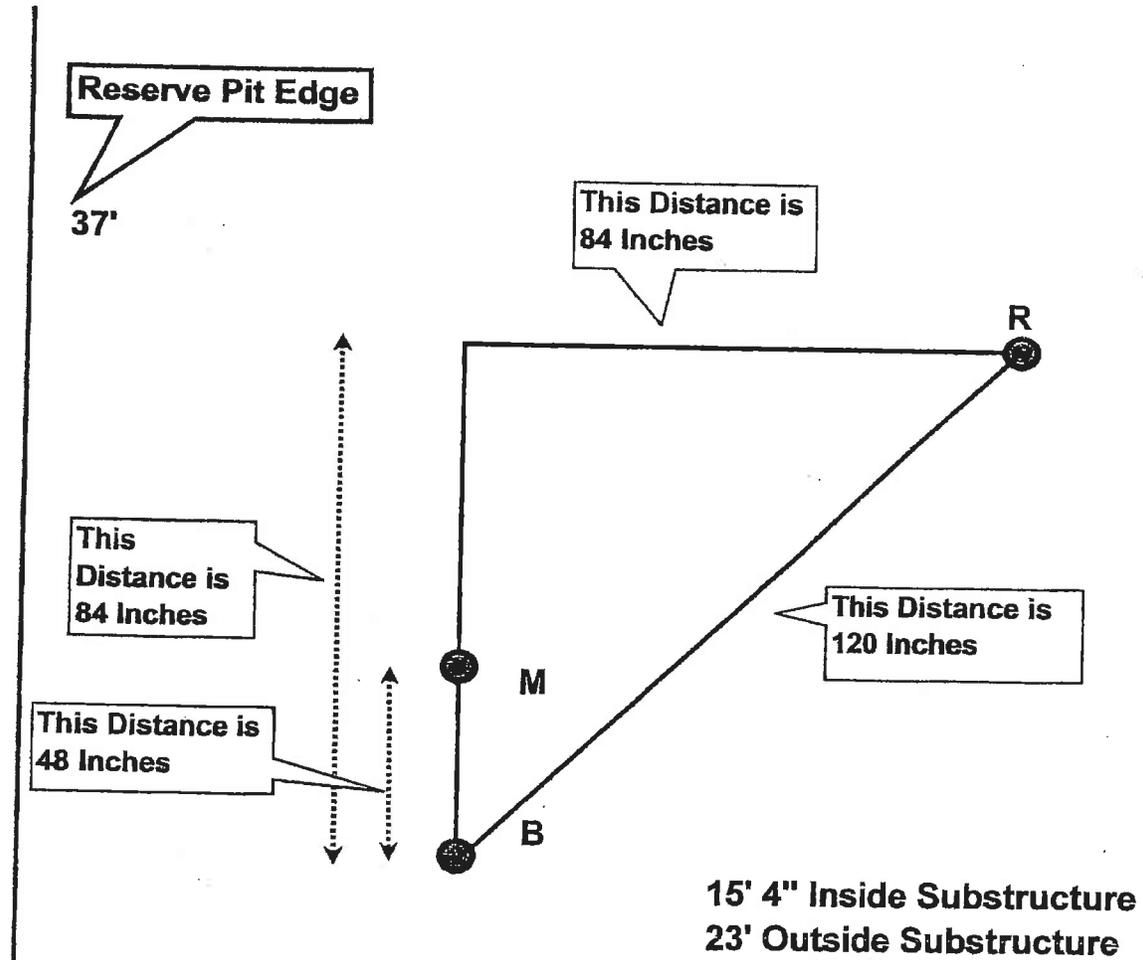
Rocky Mountain Division



RIG 138 LAYOUT
6/3/2008

Unit Drilling Company

Rocky Mountain Division



15' 4" Inside Substructure
23' Outside Substructure

B - Bore Hole

M - Mouse Hole

R - Rat Hole

From Center Hole to Pit is 37 Feet

From Corner of Pit to the Center of Hole is 12 Feet

RIG 138 RAT HOLE

6/3/2008

STATE OF WYOMING

DEPARTMENT OF ENVIRONMENTAL QUALITY – LAND QUALITY DIVISION

UPDATE TO A NONCOAL NOTIFICATION TO EXPLORE BY DRILLING

This notification update and all attachments in duplicate (or in triplicate if Federal lands are involved), showing intent to explore for noncoal minerals by drilling is submitted in accordance with the provisions of the Land Quality NonCoal Rules and Regulations, Chapter 8 and accompanies the bond required by Chapter 8 Section 3. This notification update is submitted in accordance with the Cooperative Agreement between the State and the Bureau of Land Management (43 CFR 3809) if applicable by involvement of Federal locatable minerals. This form is to be used only for updating an existing Drilling Notification where the proposed exploratory activity will remain within the area previously authorized for exploration.

1. Drilling Notification Information

Drill Notification # 334DN

Project Name Lost Creek ISR

Update Number # 4

Update Name deep exploration hole

2. Discoverer Information

Name: Lost Creek ISR, LLC

Address: 5880 Enterprise Drive Suite 200, Casper, WY 82609

Contact Person: John Cash

Telephone # (307) 265-2373

3. Location

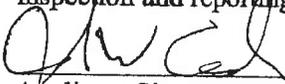
Provide a map that clearly illustrates the location of the proposed activity. The map must be oriented, contain a scale, and identify area using the Public Land Survey System (Township, Range, and Section).

4. Reclamation Cost Estimate

Provide a separate, detailed bond estimate for this Update and submit as an Attachment to this Form. Once a bond estimate for this Update has been developed, prepare a cumulative Reclamation Performance Bond estimate using the table below. Tabulate each permit action (original DN, Amendment(s), prior update(s), and this request) as an individual line item and identify the most recent WDEQ/LQD bond approval date.

Description	Bond Approval Date	Quantity (# of holes)	Bond Amount
Original Form 9DN Activity (2005)	4-11-08	14	\$1,200
Update 1 (2006)	4-11-08	12	\$1,200
Update 2 (2007)	4-11-08	195	\$4,000
Update 3 (2008)	4-11-08	451	\$748,664
Update 4 (July 2008)	Pending	deep well	\$139,636
Wells	various (n/a)	60 wells	\$194,100
Total			\$1,088,800

5. All stipulations cited in the original Form 9DN are in effect concerning disposal of hazardous material, site inspection and reporting requirements.



Applicant Signature
John W. Cash
 Manager EHS and Reg. Affairs
 Applicant Name and Title

8/4/2008
 Date

Approval and Date

334DN Update 4; Bond Status

2005 Drilling 334DN (Original DN)

Description	Unit cost (cost/hole)	Total
14 holes (reveg)	\$11/hole	\$154.00
33% of one-time mob/demob cost (\$2,500):		\$833.33
Subtotal:		\$987.33
BLM contingency (22%):		\$217.21
Total:		\$1,204.55
Bond for 2005 rounded to nearest \$100		\$1,200

2006 Drilling 334DN (Update 1)

Description	Unit cost (cost/hole)	Total
12 holes (reveg)	\$11/hole	\$132.00
33% of one-time mob/demob cost (\$2,500):		\$833.33
Subtotal:		\$965.33
BLM contingency (22%):		\$212.37
Total:		\$1,177.71
Bond for 2005 rounded to nearest \$100		\$1,200

2007 Drilling 334DN (Update 2)

Description	Unit cost (cost/hole)	Total
195 holes (reveg)	\$11/hole	\$2,145.00
30 holes (capping)	\$7.50/hole	\$225.00
Subtotal:		\$2,370.00
33% of one-time mob/demob cost (\$2,500):		\$833.33
Subtotal:		\$3,203.33
BLM contingency (22%):		\$704.73
Total:		\$3,908.07
Bond for 2007 rounded to nearest \$100		\$4,000

2008 Drilling 334DN (Update 3)

Description	Unit cost (cost/hole)	Total
P & A 100 Boreholes	\$62.50/ site + \$6.28/foot	\$445,850
P & A 51 Wells(1)	\$40/site + \$4/foot	\$108,320
Existing Roads	\$1,000/acre	\$13,000
Subtotal:		\$567,170
BLM & fuel contingency (32%):		\$181,494
Total:		\$748,664

(1) Number of planned wells reduced from 85 to 51

2008 Drilling 334DN (Update 4)

Description	Unit cost (cost/hole)	Total
P & A Deep Well	\$105,785	\$105,785
Subtotal:		\$105,785
BLM & fuel contingency (32%):		\$33,851
Total:		\$139,636

Bond Calculation for wells in 334DN project

Description	Unit cost (cost/hole)	Total
78	*Lump sum	\$156,575.00
	One time mob/demob cost:	\$2,500.00
	Subtotal:	159,075.00
	BLM contingency (22%):	\$34,996.50
	Total:	\$194,071.50
Bond for wells rounded to nearest \$100		\$194,100

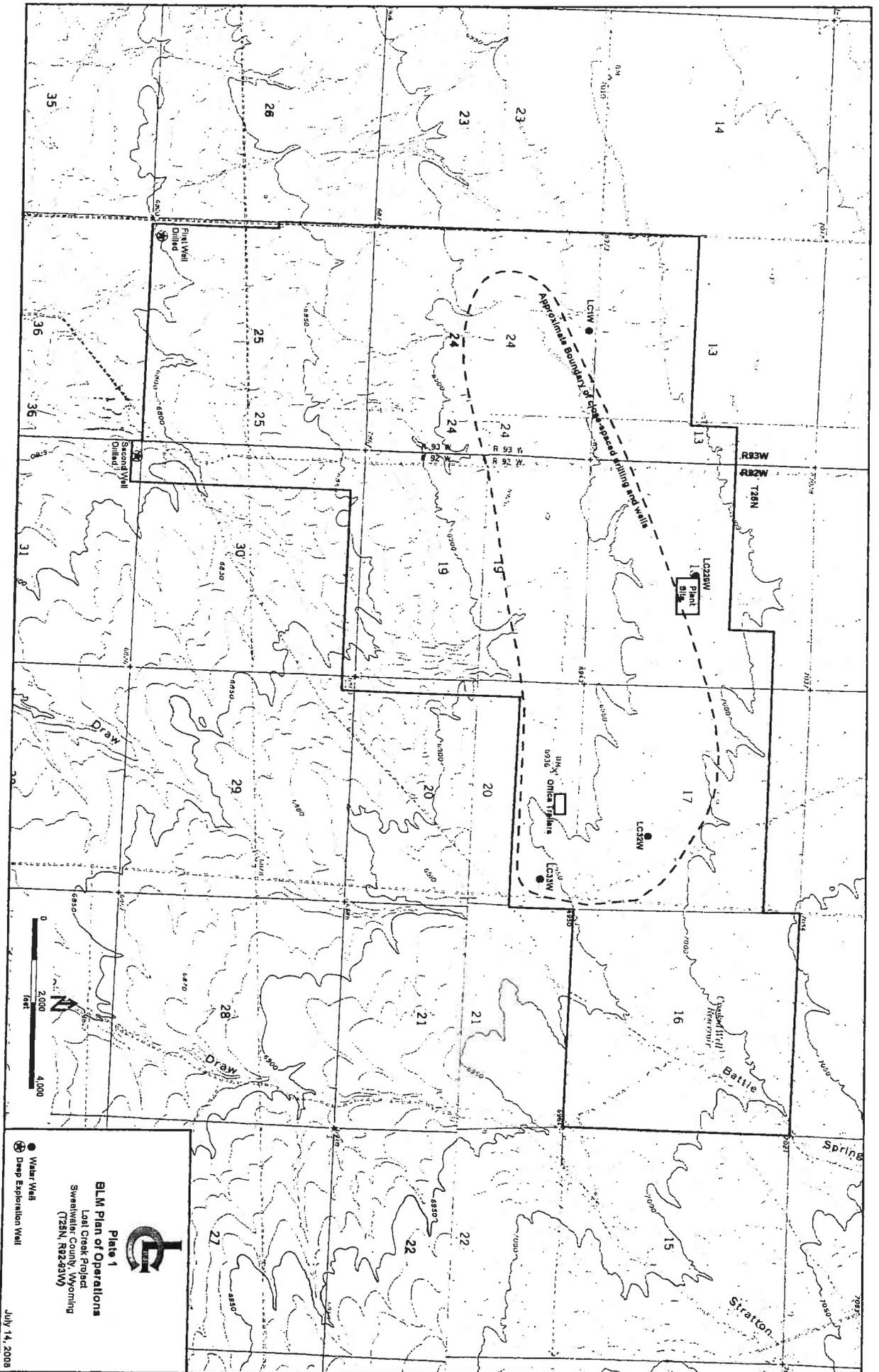




Plate 1
BLM Plan of Operations
 Last Creek Project
 Sweetwater County, Wyoming
 (T88N, R83W)

 Water Well
 Deep Exploration Well

July 14, 2008